

Wilson's actions also hinged on a basic assumption about an expected worldwide democratic revolution. When Wilson presented his Fourteen Points in January 1918, it looked as if the tide of European politics was moving in a liberal and social democratic direction. The revolution in Russia seemed to confirm the democratic revolution that was sweeping the major industrial societies. The dramatic outpouring of genuine popular support that greeted Wilson in his triumphant visits to London, Paris, Rome, and Milan on the eve of the peace conference also reinforced this sense that a world democratic upsurge would empower his negotiating position. Governments with center-left governments would emerge and sign on to Wilson's vision. But the high tide of revolutionary ferment was reached in early 1918, and the direction was decidedly conservative as the war came to an end.

Wilson hitched his liberal peace program to the great forces of war and social change that he saw unfolding around him. Although these forces worked in his favor in 1918, they worked against him in 1919 and after. The war brought the United States to a new position of power, but the way the war ended and Wilson's lost opportunities left the United States unable to dictate the terms of the peace. Wilson's own conceptions of commitment and global historical change undercut an institutional agreement that was within his reach.

Chapter Six

THE SETTLEMENT OF 1945

THE SETTLEMENT that followed the Second World War was both the most fragmented and most far-reaching of any postwar settlement in history. This was the first major war in history that did not end with a single comprehensive peace settlement. Peace treaties were not concluded with the major axis powers, Japan and Germany. The Charter of the United Nations, unlike the Covenant of the League of Nations, was not attached to the peace settlement.¹ And yet, in the years between 1944 and 1951, the United States and its allies brought about history's most sweeping reorganization of international order.

World War II actually culminated in two major settlements. One was between the United States and the Soviet Union and their respective allies, and it took the form of Cold War bipolarity. The other was among the Western industrial countries and Japan, which resulted in a dense set of new security, economic, and political institutions, almost all involving the United States. The two settlements were interrelated. The Cold War reinforced cohesion among the advanced industrial democracies, and the breakdown of relations with the Soviet Union beginning in 1947 (and intensifying after 1950) was critical in shaping the character and extent of the American security commitment to Europe. Marshall Plan aid and alliance guarantees, undertaken by the United States to stabilize and reassure postwar Europe, were made politically acceptable because of the growing fears of Soviet communism. But although the Cold War reinforced Western order, the two settlements nonetheless had distinct origins and logics. One was the most militarized settlement in history, and the other was the most institutionalized.

Among the Western industrial countries, the settlement was particularly striking in its extensive use of multilateral institutions to organize a wide range of postwar relations, including the use of alliances to bind the United States and its European partners together. Between 1944 and 1951, the United States and the other advanced industrial democracies engaged in a flurry of institution building. The resulting institutionalization of postwar order was vastly greater in scope than in the past, dealing with issues of economic stabilization, trade, finance, and monetary relations as well as

¹ John W. Wheeler-Bennett and Anthony Nicholls, *The Semblance of Peace: The Political Settlement after the Second World War* (London: St. Martin's, 1972).

political and security relations among the postwar allies. The result was a "layer cake" of regional and global, multilateral and bilateral institutions. Whereas after World War I the United States sought to build a single universal institution with authority across all the realms of interstate relations, the United States and its partners after World War II created a diversified array of institutions, many of them organized more narrowly around the Western industrial democracies and the Atlantic region.

As in the past, leaders at this settlement brought with them lessons and reactions from earlier settlements. In 1919, leaders in Paris remembered Vienna. In 1945, the diplomats and politicians who negotiated an end to the war were even more burdened with this sense of the repetition of history. The war had been a continuation of the previous war. Many of these leaders had been young participants in the 1919 settlement and had formed strong views about its failings.² This time, the United States was in a much more commanding position—its opportunities to shape the postwar order were vastly greater—but the way it exercised its power and its official thinking about order building had also changed.

To a greater degree than in 1815 and 1919, the leading and secondary states had incentives and capacities to move toward a constitutional order. The United States emerged from the war with formidable capabilities to make institutional bargains with other states, and the sharp asymmetries of power heightened the incentives that the European governments had to make agreements that would establish restraints and commitments on the exercise of American power. The United States sought to take advantage of the postwar juncture to lock in a set of institutions that would serve its interests well into the future and, in return, it offered—in most instances quite reluctantly—to restrain and commit itself by operating within an array of postwar economic, political, and security institutions. United States policy also reflected the incentives that a leading state has in establishing a postwar order that is at least minimally legitimate, and it consistently compromised on institutional agreements with the Europeans to achieve this end.

The democratic character of the states involved also facilitated institutional agreement. European and American leaders argued quite explicitly that their willingness to establish binding ties with each other hinged on their shared democratic institutions. Democracy was both an end and a means. Western leaders repeatedly justified their unprecedented institutional commitments as necessary for the protection of common democratic values. But they also argued that such commitments were particularly cred-

² This is the theme of David Fromkin, *In the Time of the Americans: The Generation That Changed America's Role in the World* (New York: Alfred A. Knopf, 1995).

ible and effective because they were established between democracies. Moreover, the decentralized and pluralistic character of the United States government—which rendered it relatively transparent and open to influence—also served to reassure European leaders that the exercise of American power would be less arbitrary and unpredictable than that of an authoritarian regime. This made it easier and less risky to establish institutional ties, as well.

The initial American postwar goal—articulated first by Roosevelt in the 1941 Atlantic Charter—was to lock the democracies into an open, multilateral economic order jointly managed through new institutional mechanisms. The British imperial preference system—as much as German or Japanese regional blocs or a closed Soviet Union—was in conflict with such an order, and the United States used its leverage to push the British and continental Europeans toward an open postwar system. American officials advanced a wide array of order-building ideas, variously emphasizing free trade, global institutions, Atlantic community, geopolitical openness, and European integration. The specific formulation of the American liberal international goal evolved as the war ended and circumstances—such as European economic weakness, German reconstruction, and the Soviet threat—unfolded. The United States accepted compromise agreements in order to get European participation in postwar multilateral institutions. European weakness more than its outright resistance limited American postwar liberal multilateral goals, and soon after the war European integration and reconstruction became the critical component of securing a wider open multilateral order.

Throughout the postwar period, European leaders were more concerned with American abandonment than with domination, and they consistently pressed for a formal and permanent American security commitment. Until early 1948, the official American view was that the greatest threat to Europe was its own internal economic and political disarray, and the best way to insure a stable postwar order was a thriving and unified European "third force." The evolving American security commitment to Europe ultimately hinged on the question of Germany. The reconstruction of western Germany, seen by American officials as essential to the economic revival of Europe, also created a potential security threat within Europe, particularly for the French. At each stage of America's unfolding security commitment to Europe—the Marshall Plan, the Vandenberg Resolution, the North Atlantic Treaty, the integrated military command, and the stationing of ground troops within NATO—the United States sought to reconcile the reconstruction and reintegration of western Germany with European security. At each stage, the United States sought to overcome fears of renewed German aggression by binding its western zones to a wider Europe. At

each stage, British and French officials insisted that such a solution was acceptable only if the United States also bound itself to Europe. Lord Ismay's famous words—that NATO was created to "keep the Russians out, the Germans down, and the Americans in"—captures the multifaceted ways in which binding security ties were employed to establish commitment and restraint.

The United States was able to overcome incentives that European and other states might have to resist or balance against that power. The emerging Cold War—and the perceived Soviet threat—did reinforce cooperation among the Western democracies, but it did not create it. Even before the European perceived a direct military threat from the Soviet Union, they actively cultivated a postwar American security commitment.³ The open character of American hegemony, the extensive reciprocity between the United States and its partners, the absence of hegemonic coercion, and binding institutional relations all provided elements of reassurance and legitimacy despite the huge asymmetries of power.

America's partners were less fearful of domination or abandonment because they were reciprocally integrated into security alliances and multilateral economic institutions that limited the unaccountable exercise of power and created transgovernmental political processes for insuring ongoing commitments and resolving conflict. In the case of security guarantees, the United States moved toward a fixed and absolute commitment only with great reluctance, which was never fully resolved until the late 1950s. But the Europeans were able to work the emerging Atlantic system to extract American commitments. The open American polity provided points of access and "voice opportunities," which in turn provided opportunities for the allies to become directly involved in making alliance policy. The array of binding institutions connected to democratic states provided the basis for both commitment and restraint.

³ The emergence of the Cold War and the fear of the spread of communism in Western Europe heightened American political stakes on the continent and made it both more necessary and easier for the United States to make a binding security commitment. But the American agenda of locking Europe and the wider world into an open liberal order, and the European agenda of establishing restraints and commitments on American power, preceded the Cold War. Indeed, after the Cold War began the Europeans may have found a solution to the problem of American abandonment, but they also increasingly felt the potential problem of American domination—that is, Europeans developed new fears that the United States might use Europe as a battlefield to settle its differences with the Soviet Union. Both before and after the Cold War, problems of restraint and commitment among highly unequal powers infused the relationship between America and Europe. It is difficult, nonetheless, to untangle completely which incentives were dominant during the rolling sequence of postwar institutional bargains. Beyond attention to timing and process tracing, assessment of the relative importance of the Cold War to institutional cooperation is helped by an examination of these relations after the Cold War. This is the purpose of Chapter Seven.

THE STRATEGIC SETTING

The strategic situation that the United States and its allies faced after the war was a close fit to the stylized problem of order sketched in Chapter Three. The United States emerged from the war unusually powerful in relation to the European great powers and Japan. America's allies and the defeated axis states were battered and diminished by the war, whereas the United States grew more powerful through mobilization and war.⁴ The American government was more centralized and capable, and the economy and military were unprecedented in their power and still on an upward swing.⁵ In addition, the war itself had ratified the destruction of the old order of the 1930s, eliminated the alternative regional hegemonic ambitions of Germany and Japan, and diminished the viability of the British imperial order.

The huge disparity of power between the United States and the other great powers was the fundamental strategic reality after the war. The United States had roughly half of world economic production, a world-dominant military, leadership in advanced technologies, and surpluses of petroleum and food production.⁶ The rising economic dominance of the United States is reflected in the relative economic size of the postwar great powers. In 1945, Britain and the Soviet Union were the closest economic rivals—each with roughly one-fifth the size of the American economy. This asymmetry in economic size lessened marginally as the Soviet Union and European states recovered from war, but American preeminence continued.⁷ The American share of world industrial production indicated in Table 6-1 also reveals this basic economic preponderance. A similar disparity existed in military power, as seen in the relative share of military expenditures among the great powers (see Table 6-2). The United States ended the war with an unprecedented lead in military capability, which in turn declined somewhat after the Soviet Union recovered and the Cold War began. American relative military capability in relation to Western Europe, however, remained preponderant during the postwar decades.

⁴ Great Britain, for example, lost about one-quarter of its national wealth and became the world's largest debtor nation, while in the United States the war pulled the country out of the depression, and the gross national product almost doubled.

⁵ For a discussion of the ways in which World War II strengthened the American state and modernized its society and economy, see Michael S. Sherry, *In the Shadow of War: The United States since the 1930s* (New Haven: Yale University Press, 1995).

⁶ For an overview of these hegemonic capabilities, see Stephen Krasner, "American Policy and Global Economic Stability," in William P. Avery and David P. Rapkin, eds., *America in a Changing World Political Economy* (New York: Longman, 1982).

⁷ See Appendix Two.

TABLE 6-1
Relative Share of World Manufacturing Output, 1940-1955

| | 1938 | 1953 | 1963 | 1973 |
|---------------|------|------|------|------|
| Britain | 10.7 | 8.4 | 6.4 | 4.9 |
| United States | 31.4 | 44.7 | 35.1 | 33.0 |
| Germany | 12.7 | 5.9 | 6.4 | 5.9 |
| France | 4.4 | 3.2 | 3.8 | 3.5 |
| Russia | 9.0 | 10.7 | 14.2 | 14.4 |
| Italy | 2.8 | 2.3 | 2.9 | 2.9 |
| Japan | 5.2 | 2.9 | 5.1 | 8.8 |

Source: Paul Bairoch, "International Industrialization Levels from 1750 to 1980," *Journal of European Economic History*, Vol. 11, No. 2 (Fall 1982), p. 304.

TABLE 6-2
Share of Total Great-Power Military Expenditures, 1940-1955

| | 1940 | 1945 | 1950 | 1955 |
|---------------|------|------|------|------|
| United States | 3.6 | 74.5 | 42.9 | 52.4 |
| Great Britain | 21.4 | 14.1 | 7.0 | 5.6 |
| France | 12.3 | 1.0 | 4.4 | 3.8 |
| Germany | 45.6 | — | — | — |
| Russia | 13.2 | 7.1 | 45.7 | 38.2 |
| Japan | 4.0 | 3.3 | — | — |

Source: Calculated from data presented in Appendix Two.

This American postwar preeminence was recognized by observers at the time. "The U.S. was in the position today where Britain was at the end of the Napoleonic wars," noted British Foreign Minister Ernest Bevin in June 1947.⁸ The British scholar, Harold Laski, also writing in 1947, captured the same sense of overarching American power: "Today literally hundreds of millions of Europeans and Asiatics know that both the quality and the rhythm of their lives depend upon decisions made in Washington. On the wisdom of those decisions hangs the fate of the next generation."⁹

⁸ "The Chargé in the United Kingdom [Gallman] to the Secretary of State," 16 June 1947, *Foreign Relations of the United States*, 1947, Vol. 3, pp. 254-55. All the volumes of *Foreign Relations of the United States* are published by the U.S. Government Printing Office, Washington, D.C.

⁹ Harold J. Laski, "America—1947," *Nation*, Vol. 165 (December 13, 1947), p. 641.

American foreign policy officials also understood that this extraordinary asymmetry in power was a defining feature of the postwar situation. George Kennan, in a major State Department review of American foreign policy in 1948, pointed to the new reality: "We have about 50% of the world's wealth but only 6.3% of its population. . . . Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security."¹⁰ The United States found itself in a rare position. It had power *and* choices.

Moreover, unlike the end of the First World War, the victory by the allies was complete. Unconditional surrender and postwar occupation of the defeated powers was an absolute condition for ending the war with Germany and Japan.¹¹ As early as April 1942, a subcommittee in the State Department that was set up to study postwar security problems concluded that war in Europe had reignited a second time only because Germany had not been driven to absolute defeat in 1918. The German people had been led to believe that they had been tricked into accepting a punitive peace agreement even though the German military had not been beaten on the battlefield. The committee concluded that "On the assumption that the victory of the United Nations will be conclusive, unconditional surrender rather than an armistice should be sought from the principal enemy states."¹² Roosevelt immediately adopted the goal of unconditional surrender and, at the allied conference in Casablanca in January 1943, the allies agreed to this resolution of the war.¹³ In both Europe and the Pacific, this was in fact how the war ended.

The United States was also more indispensable in bringing the war to a close than it was in the previous war. It did not suffer the highest human or material costs of war, but its resources and technology were vital for winning.¹⁴ Its political leadership was more critical than it had been during World War I. The role of military assistance to Britain and Russia also provided a mechanism for the United States to gain agreement with Britain and the other allies over war aims and settlement goals. The United States could play a role not unlike Castlereagh's Britain during the Napoleonic

¹⁰ "Memorandum by the Director of the Policy Planning Staff [Kennan] to the Secretary of State and Under Secretary of State [Lovett]," 24 February 1948, *Foreign Relations of the United States*, 1948, Vol. 1, p. 524.

¹¹ On the way lessons of the past war influenced American thinking in fighting and ending World War II, see Fromkin, *In the Time of the Americans*.

¹² Quoted in Wheeler-Bennett and Nicholls, *The Semblance of Peace*, p. 56.

¹³ See Herbert Feis, *Churchill, Roosevelt, Stalin* (Princeton: Princeton University Press, 1957), pp. 108-13.

¹⁴ America lost 400,000 soldiers in the war, whereas the Soviet Union suffered roughly 20 million killed.

war: its economic and military capabilities allowed its leaders to shape the coalition, influence when and how the war ended, and lock in commitments to the postwar order while it was still in an advantaged position. The American use of the 1941 Lend-Lease agreement with Britain was perhaps the most explicit instance of the use of wartime assistance to extract concessions over postwar European policies.

The United States also paralleled Britain in 1815 and the United States in 1919 in its position as the outlying great power within the system. Removed from both Europe and Asia, the United States was able to conceive of security relations more broadly and with an eye to the long term. The United States had the most secure fall-back options, and therefore its proposals were less constrained by considerations of power balance and the security dilemma. The United States had also been in this position after the First World War, but in 1945, the United States was in a more commanding position: it was stronger and more indispensable, the war resulted in a more thorough breakdown of order, and the defeat of the enemy was more decisive.

These are the conditions that defined the problem of order after the war: new and huge power asymmetries, a completely defeated enemy, an old international order in ruins, and an uncertain future. The United States was in an unprecedented position to shape world politics. But America's commanding power also intensified the fears of domination and abandonment felt by weaker states. It is here that the character of the United States itself—as an open and reluctant hegemonic power with distinctive ideas about political order—and the array of proposed postwar institutions facilitated agreement on a settlement organized around binding institutions.

TWO POST-WAR SETTLEMENTS

World War II produced two postwar settlements. One was a reaction to deteriorating relations with the Soviet Union, and it culminated in the "containment order." It was a settlement based on the balance of power, nuclear deterrence, and political and ideological competition. The other settlement was a reaction to the economic rivalry and political turmoil of the 1930s and the resulting world war, and it culminated in a wide range of new institutions and relations among the Western industrial democracies and Japan. This settlement was built around economic openness, political reciprocity, and multilateral management of an American-led liberal political order.¹⁵

¹⁵ The argument that there were two distinct postwar settlements is made in G. John Ikenberry, "The Myth of Post-Cold War Chaos," *Foreign Affairs*, Vol. 75, No. 3 (May/June 1996), pp. 79–91.

The two settlements had distinct political visions and intellectual rationales, and at key moments the American president gave voice to each. On 12 March 1947, President Truman gave his celebrated speech before Congress announcing aid to Greece and Turkey, and wrapped it in a new American commitment to support the cause of freedom around the world. The Truman Doctrine speech was a founding moment of the "containment order"; it rallied the American people to a new great struggle, this one against the perils of world domination by Soviet communism. A "fateful hour" had arrived, Truman told the American people. The people of the world "must choose between two alternate ways of life." If the United States failed in its leadership, Truman declared, "we may endanger the peace of the world."¹⁶

It is forgotten, however, that six days before this historic declaration, Truman gave an equally sweeping speech at Baylor University. On this occasion, Truman spoke of the lessons the world must learn from the disasters of the 1930s. "As each battle of the economic war of the thirties was fought, the inevitable tragic result became more and more apparent. From the tariff policy of Hawley and Smoot, the world went on to Ottawa and the system of imperial preferences, from Ottawa to the kind of elaborate and detailed restrictions adopted by Nazi Germany." Truman reaffirmed American commitment to "economic peace," which would involve tariff reductions and rules and institutions of trade and investment. In the settlement of economic differences, "the interests of all will be considered, and a fair and just solution will be found." Conflicts would be captured and domesticated in an iron cage of multilateral rules, standards, safeguards, and dispute resolution procedures. According to Truman, "this is the way of a civilized community."¹⁷

The "containment order" is well known in the popular imagination. It is celebrated in our historical accounts of the early years after World War II, when American officials struggled to make sense of Soviet military power and geopolitical intentions. In these early years, a few "wise men" fashioned a coherent and reasoned response to the global challenge of So-

¹⁶ Truman, "Address to Joint Session of Congress on Aid to Greece and Turkey," 12 March 1947. *Public Papers of the Presidents of the United States: Harry S. Truman, January 1 to December 31, 1947* (Washington, D.C.: United States Government Printing Office, 1963), pp. 176–80. For historical accounts of this foreign policy turning point, see Dean G. Acheson, *Present at the Creation: My Years at the State Department* (New York: W. W. Norton, 1969); Howard Jones, *"A New Kind of War": America's Global Strategy and the Truman Doctrine in Greece* (New York: Oxford University Press, 1989). On whether the Truman Doctrine was a Cold War watershed, see John Lewis Gaddis, "Was the Truman Doctrine a Real Turning Point?" *Foreign Affairs*, Vol. 52 (January 1974), pp. 386–92.

¹⁷ Truman, "Address on Foreign Economic Policy," Baylor University, Waco, Texas, 6 March 1947. *Public Papers of the Presidents: Truman, 1947*, pp. 167–72.

viet communism.¹⁸ The doctrine of containment that emerged was the core concept that gave clarity and purpose to several decades of American foreign policy.¹⁹ In the decades that followed, sprawling bureaucratic and military organizations were built on the containment orientation. The bipolar division of the world, nuclear weapons of growing size and sophistication, the ongoing clash of two expansive ideologies—all these circumstances gave life to and reinforced the centrality of the “containment order.”²⁰

By comparison, the ideas and policies of the Western order were more diffuse and wide-ranging. It was less obvious that the intra-Western agenda was a “grand strategy” designed to advance American security interests. As a result, during the Cold War it was inevitable that this agenda would be seen as secondary, a preoccupation of economists and American business. The policies and institutions that supported free trade and economic openness among the advanced industrial societies were quintessentially the stuff of “low politics.” But this is a historical misconception. The Western settlement was built on varied and sophisticated ideas about American security interests, the causes of war and depression, and the proper and desirable foundations of postwar political order. Indeed, although the “containment order” overshadowed it, the ideas behind order among the Western industrial countries were more deeply rooted in the American experience and a thoroughgoing understanding of history, economics, and the sources of political order.

The most basic conviction behind American thinking about postwar order in the West was that the closed autarkic regions that had contributed to world depression and split the world into competing blocs before the war must be broken up and replaced by an open and nondiscriminatory

¹⁸ For a popular account of the “founding fathers” of the containment order, see Walter Isaacson and Evan Thomas, *The Wise Men: Six Friends and the World They Made* (New York: Simon and Schuster, 1986).

¹⁹ The seminal role of George Kennan as architect of containment policy is stressed in John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy* (New York: Oxford University Press, 1984). More recently, Melvyn P. Leffler has argued that many American officials and experts from across the foreign and defense establishment independently began to embrace containment thinking. See Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford: Stanford University Press, 1992). On Kennan’s changing views of containment, see Kennan, *American Diplomacy, 1925–50* (Chicago: University of Chicago Press, 1951); Kennan, *Memoirs, 1925–50* (Boston: Little, Brown, 1967); and the interview with Kennan in “X-Plus 25,” *Foreign Policy*, Vol. 7 (Summer 1972), pp. 3–53. On the bureaucratic politics of containment policy within the State Department, see Robert L. Messer, “Paths Not Taken: The United States Department of State and Alternatives to Containment, 1945–1946,” *Diplomatic History*, Vol. 1, No. 4 (Fall 1977), pp. 297–319.

²⁰ For excellent historical accounts of this emerging containment order, see Marc Trachtenberg, *A Constructed Peace: The Making of the European Settlement, 1945–1963* (Princeton: Princeton University Press, 1999); and Leffler, *A Preponderance of Power*.

world economic system. Peace and security were impossible in a world of closed and exclusive economic regions. The challengers to liberal multilateralism occupied almost every corner of the advanced industrial world. Germany and Japan, of course, were the most overt and hostile challengers. Each had pursued a dangerous pathway into the modern industrial age that combined authoritarian capitalism with military dictatorship and coercive regional autarky. But the British Commonwealth and its imperial preference system was also a challenge to liberal multilateral order.²¹ The hastily drafted Atlantic Charter was an American effort to insure that Britain signed onto its liberal democratic war aims.²² The joint statement of principles affirmed free trade, equal access for countries to the raw materials of the world, and international collaboration in the economic field so as to advance labor standards, employment security, and social welfare. Roosevelt and Churchill were intent on telling the world that they had learned the lessons of the interwar years—and those lessons were fundamentally about the proper organization of the Western world economy. It was not just America’s enemies, but also its friends, that had to be reformed and integrated.²³

Roosevelt wanted to use the Atlantic Charter as a way to extract from the British a pledge not to use the war for purposes of territorial or economic imperialism. In doing so, he was attempting at least in part to prevent a repetition of what he strongly felt hurt peace efforts after World War I: allied intrigues and secret understandings pursued without American knowledge, which had the effect of undermining Wilson’s Fourteen Points. But Roosevelt was also seeking agreement with Britain on war aims at a early moment when the United States was in a strong position. This too

²¹ For arguments that the great mid-century struggle was between a open capitalist order and various regional, autarkic challengers, see Bruce Cumings, “The Seventy Years’ Crisis: Trilateralism and the New World Order,” *World Policy Journal*, Vol. 3, No. 2 (Spring 1991); and Charles Maier, “The Two Postwar Eras and the Conditions for Stability in Twentieth-Century Western Europe,” in Maier, *In Search of Stability: Explorations in Historical Political Economy* (New York: Cambridge University Press, 1987), pp. 153–84. A similar sweeping historical argument—described as a struggle between “liberal” and “collectivist” alternatives—is made in Robert Skidelsky, *The World after Communism* (London: Macmillan, 1995).

²² Churchill insisted that the charter did not mandate the dismantlement of the British Empire and its system of trade preferences, and only the last-minute sidestepping of this controversial issue insured agreement. See Lloyd C. Gardner, “The Atlantic Charter: Idea and Reality, 1942–1945,” in Douglas Brinkley and David R. Facey-Crowther, eds., *The Atlantic Charter* (London: Macmillan, 1994), pp. 45–81.

²³ For accounts of the Atlantic Charter meeting, see Winston Churchill, *The Grand Alliance* (Boston: Houghton Mifflin, 1950), pp. 385–400; Sumner Welles, *Where Are We Heading?* (London: Harper and Brothers, 1947); Robert Sherwood, *Roosevelt and Hopkins: An Intimate History* (New York: Harper, 1948); and Theodore A. Wilson, *The First Summit: Roosevelt and Churchill at Placentia Bay, 1941* (Boston: Houghton Mifflin, 1969).

was a lesson that Roosevelt and other American officials had learned from Wilson's experience.²⁴

Roosevelt's aim with the Atlantic Charter was to begin the process of locking the European democracies into an open and managed postwar order. Roosevelt shared the view of many officials in the State Department, later echoed by Truman, that economic closure and discrimination were the fundamental cause of political conflict and instability in the 1930s and eventually of the war—and that an open and stable economic order was essential to ensure postwar peace.²⁵ This was a widely shared view. John Foster Dulles, a prominent Republican foreign policy expert, applauded the Atlantic Charter and its emphasis on a postwar world that allowed for "growth without imperialism," supported by "an international body dedicated to the general welfare" and the establishment of "procedures within each country" that ensured movement toward economic openness.²⁶ During the 1944 election, the Republican party's committee on postwar foreign policy reaffirmed its commitment to a "stabilized interdependent world," and urged United States participation after the war in cooperation with other states to prevent military aggression, expand international trade, and secure monetary and economic stability.²⁷

The containment order, of course, was not planned or even fully anticipated during the war, although Churchill and other British and American officials began to have their doubts about the Soviet Union's postwar intentions even then. Roosevelt, however, remained convinced until his death in March 1945 that he could handle Stalin and pave the way toward a postwar order where the United States and the Soviet Union engaged in cooperative management of global interstate relations.²⁸ As Wheeler-Bennett and Nicholls note, "From the earliest period of the war, when neither the Soviet Union nor the United States was a belligerent, he had visualized an American-Soviet partnership for peace in the then uncertain shaping of the post-war world. When later they become comrades in arms, this con-

²⁴ Wheeler-Bennett and Nicholls, *The Semblance of Peace*, p. 37.

²⁵ Roosevelt's view was summarized in a memo to Morris L. Ernst in March 1943: "We were wrong in 1920. We believe in international co-operation and the principles of the Atlantic Charter and the Four Freedoms. We propose to back those who show the most diligence and interest in carrying them out." Roosevelt to Morris L. Ernst, 8 March 1943, in *FD.R.: His Personal Letters, 1928–1945* (New York: Duell, Sloan and Pearce, 1950), p. 1,407.

²⁶ John Foster Dulles, "Peace without Platitudes," *Fortune*, Vol. 25, No. 1 (January 1942) pp. 42–43.

²⁷ See Andrew Williams, *Failed Imagination? New World Orders of the Twentieth Century* (Manchester: Manchester University Press, 1998), pp. 98–100.

²⁸ For the view that FDR was already anticipating a postwar break with Russia, see Robert Dalleck, *Franklin D. Roosevelt and American Foreign Policy, 1932–1945* (New York: Oxford University Press), p. 476.

cept increased rather than diminished. Russia and America were to be cast in the role of two super-policemen, supervising East and West, under the aegis of the United Nations. . . . President Roosevelt was immutably convinced that he, and he alone, could bring about this unlikely miracle."²⁹

In a series of allied summits—Teheran in 1943 and Yalta and Potsdam in 1945—the allied leaders attempted to coordinate their military operations and negotiate on the terms of the settlement, including territorial issues, the treatment of Germany, and the shape of a postwar international peacekeeping organization. Roosevelt's goal up until Yalta was to maneuver the allied victors into a great-power peacekeeping organization. Britain and China would join Russia and the United States, and they would enforce the peace on the basis of regional responsibilities.³⁰ FDR's idea rested on the ability to maintain cooperation among the great powers. This became an immediate casualty of the end of the war. As the world war turned into Cold War, the two postwar settlements began to take shape. Yet even as the prospects of cooperation with the Soviet Union faded, the American agenda of promoting stable economic openness—enshrined in the Atlantic Charter—remained at the center of postwar order building. After 1947, it was an agenda pursued more narrowly among the Western democracies, and involved more direct American involvement and elaborate institutional strategies.

COMPETING AMERICAN VISIONS OF POSTWAR ORDER

During and immediately after the war, American officials and policy experts advanced and debated a wide range of ideas about postwar order. As the war ended, some of these ideas found their way into policy and others disappeared. Domestic opposition, European weakness and resistance, and rising tensions with the Soviet Union all exerted an impact on the viability of particular grand designs. The result was a sort of "rolling process" whereby different policy ideas gained ascendancy and lost support, and different coalitions of policy thinkers and bureaucrats formed and reformed around postwar policies. In the end, the United States embraced a postwar policy orientation committed to economic openness and pluralistic democracy among the Western great powers and Japan, reinforced by a range of international and regional institutions across the areas of economic and security relations. The shifts in American policy reveal the ways in which the United States attempted to foster both a postwar order that would lock the other major industrial states into an open order and also

²⁹ Wheeler-Bennett and Nicholls, *The Semblance of Peace*, p. 296.

³⁰ See John Lamberton Harper, *American Visions of Europe: Franklin D. Roosevelt, George F. Kennan and Dean G. Acheson* (New York: Cambridge University Press, 1994), chapter three.

one that was mutually acceptable to them. This involved agreeing to insert itself into elaborate intergovernmental institutions and relationships, including a binding security commitment.

Groups advocating six kinds of grand design competed for primacy as the United States grappled with postwar order. One group of advocates articulated ambitious ideas and plans for what might be called "global governance." These were proposals that supported the creation of governing institutions that would be supranational and universal. Some proposals were advanced by scientists and other activists who sought international control of atomic weapons and new global security institutions.³¹ Others were seeking new forms of global governance to deal with industrial modernism and rising economic interdependence. Nation-states, they believed, were no longer capable of dealing with the technological and economic scale and scope of the modern world. Peace and prosperity could only be ensured by the creation of a global political order where governments shared sovereignty with some sort of new world state.³² Prominent "one worlders" such as Albert Einstein, Cord Meyer, Norman Cousins, and Emery Reeves, put forward passionately felt hopes and visions of a great leap forward toward world government.³³ These groups and ideas existed mostly outside of the American government, remaining peripheral to the actual politics and planning of the postwar settlement, although the founding of the United Nations was seen by some as a partial achievement.

A second school of postwar thought was concerned with the creation of an open trading system. The most forceful advocates of this position came from the Department of State and its secretary, Cordell Hull. Throughout the Roosevelt presidency, Hull and other State Department officials consistently held the conviction that an open international trading system was central to American economic and security interests and was also fundamental to the maintenance of peace. Hull believed that bilateralism and economic blocs of the 1930s, practiced by Germany and Japan but also Britain, were the root cause of the instability of the period and the onset

³¹ See Alice K. Smith, *A Peril and a Hope: The Scientists' Movement in America, 1945-47* (Chicago: University of Chicago Press, 1965).

³² A variety of popular books were published in the mid-1940s that sketched indictments of the nation-state and visions of new global governance. See, for example, Wendell L. Willkie, *One World* (New York: Simon and Schuster, 1947); Emery Reeves, *The Anatomy of Peace* (New York: Harper and Row, 1945); Cord Meyer, Jr., *Peace or Anarchy* (Boston: Little, Brown, 1947); and Harris Wofford, Jr., *It's Up to Us: Federal World Government in Our Time* (New York: Harcourt, Brace, 1946).

³³ For an overview of these ideas and personalities, see Welsey T. Wooley, *Alternatives to Anarchy: American Supranationalism since World War II* (Bloomington: University of Indiana Press, 1988).

of war.³⁴ Charged with responsibility for commercial policy, the State Department championed tariff reduction agreements, most prominently in the 1934 Reciprocal Trade Agreement Act and the 1938 U.S.-British trade agreement. Trade officials at the State Department saw liberal trade as a core American interest that reached back to the Open Door policy of the 1890s.³⁵ In the early years of the war, this liberal economic vision dominated initial American thinking about the future world order and became the initial opening position as the United States engaged Britain over the postwar settlement. As America emerged from the war with the largest and most competitive economy, an open economic order would serve its interests. An open system was also seen as an essential element of a stable world political order; it would discourage ruinous economic competition and protectionism that was a source of depression and war. But just as importantly, this vision of openness—a sort of "economic one worldism"—would lead to an international order in which American "hands on" management would be modest. The system would, in effect, govern itself.

A third American position on postwar order was primarily concerned with creating political order among the democracies of the North Atlantic region. The vision was of a community or union between the United States, Britain, and the wider Atlantic world. Ideas of an Atlantic union can be traced to the turn of the century and a few British and American statesmen and thinkers, such as Secretary of State John Hay, the British ambassador to Washington Lord Bryce, the American ambassador to London Walter Hines Page, Admiral Alfred T. Mahan, and writer Henry Adams. These writers and political figures all grasped the unusual character and significance of Anglo-American comity, and they embraced a vision of closer transatlantic ties.³⁶ These ideas were repeatedly articulated over the follow-

³⁴ As Secretary Hull argued, "unhampered trade dovetailed with peace; high tariffs, trade barriers, and unfair economic competition, with war." Hull, *The Memoirs of Cordell Hull* (New York: Macmillan, 1948), Vol. 1, p. 81.

³⁵ Herbert Feis, the State Department's economic advisor, noted the continuity of the department's position when he argued during the war that "the extension of the Open Door remains a sound American aim." See Feis, "Economics and Peace," *Foreign Policy Reports*, Vol. 30, No. 2 (April 1944), pp. 14-19. On the State Department's commitment to a postwar open trading system, see Lloyd Gardner, *Economic Aspects of New Deal Diplomacy* (Madison: University of Wisconsin Press, 1964); Richard Gardner, *Sterling-Dollar Diplomacy: The Origins and the Prospects of Our International Economic Order* (New York: McGraw Hill, 1969); and Alfred E. Eckes, Jr., *Opening America's Market: U.S. Foreign Policy since 1776* (Chapel Hill: University of North Carolina Press, 1995), chapter five.

³⁶ See James Robert Huntley, *Uniting the Democracies: Institutions of the Emerging Atlantic-Pacific System* (New York: New York University Press, 1980), p. 4. For discussion of the historical and intellectual foundations of the Atlantic system, see Forrest Davis, *The Atlantic System: The Story of Anglo-American Control of the Seas* (New York: Reynal and Hitchcock, 1941); Robert Strausz-Hupe, James E. Dougherty, and William R. Kintner, *Building the Atlantic*

ing decades. During World War II, Walter Lippmann gave voice to this view, that the "Atlantic Ocean is not the frontier between Europe and the Americas. It is the inland sea of a community of nations allied with one another by geography, history, and vital necessity."³⁷

Various experiences and interests fed into the Atlantic idea. One was strategic and articulated during and after the two world wars. Suspicious of Woodrow Wilson's League of Nations proposal, French Premier Georges Clemenceau proposed in 1919 an alliance between France, Britain, and the United States—an alliance only among what he called "constitutional" countries.³⁸ The failure of the League of Nations reaffirmed in the minds of many Americans and Europeans the virtues of a less universal security community that encompassed the North Atlantic area. Others focused on the protection of the shared democratic values that united the Atlantic world. These ideas were most famously expressed in Clarence Streit's 1939 book, *Union Now: The Proposal for Inter-Democracy Federal Union*.³⁹ Concerned with the rise of fascism and militarism and the fragility of the Western democracies in the wake of a failed League of Nations, Streit proposed a federal union of the North Atlantic democracies.⁴⁰ In the years that followed, a fledgling Atlantic Union movement came to life. An Atlantic Union Committee was organized after the war, and prominent Americans called for the creation of various sorts of Atlantic organizations and structures.⁴¹ American and European officials were willing to endorse principles

World (New York: Harper and Row, 1963); and Harold van B. Cleveland, *The Atlantic Idea and Its European Rivals* (New York: McGraw-Hill, 1966).

³⁷ Walter Lippmann, *U.S. Foreign Policy: Shield of the Republic* (Boston: Little, Brown, 1943), p. 83. It is thought that this was the first appearance in print of the term "Atlantic Community." For a discussion see Ronald Steel, *Walter Lippmann and the American Century* (Boston: Little, Brown, 1980), pp. 404–8.

³⁸ As noted in Chapter Five, the French proposal was to transform the League of Nations into a North Atlantic treaty organization—a union complete with an international army and a general staff. See Thomas J. Knock, *To End All Wars: Woodrow Wilson and the Quest for a New World Order* (New York: Oxford University Press, 1992), pp. 221–22.

³⁹ Streit, *Union Now: The Proposal for Inter-Democracy Federal Union* (New York: Harper and Brothers, 1939).

⁴⁰ It would be a "union of these few peoples in a great federal republic built on and for the thing they share most, their common democratic principle of government for the sake of individual freedom." Ibid., p. 4.

⁴¹ The most ambitious plans of Atlantic Union, which attracted some of the same supporters as the world federalists, were widely debated during and after the war, but faded soon thereafter. The Atlantic Union committee survived and culminated in an eminent citizens' meeting in Paris in 1962. This gathering issued a "Declaration of Paris," which called for the drafting of blueprints for a true Atlantic Community. But American and European governments failed to respond. See Huntley, *Uniting the Democracies*, pp. 9–10; and Wooley, *Alternatives to Anarchy*, chapters five and six.

of Atlantic community and unity—most explicitly in the 1941 Atlantic Charter—but they were less interested in supranational organization.⁴²

A fourth position on postwar order was animated more directly by considerations of American geopolitical interests and the Eurasian rimlands. This is where American strategic thinkers began their debates in the 1930s, as they witnessed the collapse of the world economy and the emergence of German and Japanese regional blocs. The question these thinkers pondered was whether the United States could remain as a great industrial power within the confines of the Western Hemisphere. What were the minimum geographical requirements for the country's economic and military viability? For all practical purposes, this question was answered by the time the United States entered the war. An American hemispheric bloc would not be sufficient; the United States must have security of markets and raw materials in Asia and Europe. The culmination of this debate and the most forceful statement of the new consensus was presented in Nicholas John Spykman's *America's Strategy in World Politics*.⁴³ If the rimlands of Europe and Asia became dominated by one or several hostile imperial powers, the security implications for the United States would be catastrophic. To remain a great power, the United States could not allow itself "merely to be a buffer state between the mighty empires of Germany and Japan."⁴⁴ It must seek openness, access, and balance in Europe and Asia. A similar conclusion was reached by experts involved in a Council on Foreign Relations study group, whose concern was the necessary size of the "grand area"—that is, the core world regions on which the United States depended for economic viability.⁴⁵

⁴² Although the supranational ideas of the Atlantic Union movement were largely ignored, they did inspire thinking about European Union. In 1940, Emmanuel Monick, a financial attaché in the French embassy in London, was struck by Streit's Atlantic Union ideas and proposed the idea of a French-British indissoluble union to Jean Monnet—an idea that was later presented to the French cabinet. See Huntley, *Uniting the Democracies*, p. 11. See also Jean Monnet, *Memoirs*, English translation (Garden City, N.Y.: Doubleday, 1978), pp. 17–35.

⁴³ Spykman, *America's Strategy in World Politics: The United States and the Balance of Power* (New York: Harcourt, Brace, 1942). See also a shorter book published after Spykman's death, *The Geography of the Peace* (New York: Harcourt, Brace, 1944). Others making similar arguments include William T. R. Fox, *The Super-Powers: The United States, Britain, and the Soviet Union—Their Responsibility for Peace* (New York: Harcourt, Brace, 1944), and Robert Strausz-Hupe, *The Balance of Tomorrow: Power and Foreign Policy in the United States* (Philadelphia: University of Pennsylvania Press, 1945).

⁴⁴ Spykman, *America's Strategy in World Politics*, p. 195.

⁴⁵ See Council on Foreign Relations, "Methods of Economic Collaboration: The Role of the Grand Area in American Foreign Economic Policy," in *Studies of American Interests in the War and Peace*, 24 July 1941, E-B34 (New York: Council on Foreign Relations). For a history of the CFR postwar planning studies, see Carlo Maria Santoro, *Diffidence and Ambition: The*

This view that America must have access to Asian and European markets and resources—and must therefore not let a prospective adversary control the Eurasian landmass—was also embraced by postwar defense planners. As the war was coming to an end, defense officials began to see that America's security interests required the building of an elaborate system of forward bases in Asia and Europe. Hemispheric defense would be inadequate.⁴⁶ Defense officials also saw access to Asian and European raw materials—and the prevention of their control by a prospective enemy—as an American security interest. The historian Melvin Leffler notes that “Stimson, Patterson, McCloy, and Assistant Secretary Howard C. Peterson agreed with Forrestal that long-term American prosperity required open markets, unhindered access to raw materials, and the rehabilitation of much—if not all—of Eurasia along liberal capitalist lines.”⁴⁷ Indeed, the base systems were partly justified in terms of their impact on access to raw materials and the denial for such resources to an adversary. Some defense studies went further, and argued that postwar threats to Eurasian access and openness were more social and economic than military. It was economic turmoil and political upheaval that were the real threats to American security, as they invited the subversion of liberal democratic societies and Western-oriented governments. A CIA study concluded in mid-1947: “The greatest danger to the security of the United States is the possibility of economic collapse in Western Europe and the consequent accession to power of Communist elements.”⁴⁸ Access to resources and markets, socioeconomic stability, political pluralism, and American security interests were all tied together.

A fifth view of postwar order also was concerned with encouraging political and economic unity in Western Europe—a “third force.” This view emerged as a strategic option as wartime cooperation with the Soviet Union began to break down after the war. In 1946 and 1947, the world increasingly began to look as if it would become bipolar. “One world” designs for peace and economic order became less relevant.⁴⁹ As officials in

Intellectual Sources of U.S. Foreign Policy (Boulder, Colo.: Westview, 1992); and Williams, *Failed Imagination?*, pp. 92–95.

⁴⁶ See Melvyn P. Leffler, “The American Conception of National Security and the Beginning of the Cold War, 1945–48,” *American Historical Review*, Vol. 89, No. 2 (April 1984), pp. 349–56. See also his *A Preponderance of Power*, chapter two.

⁴⁷ Leffler, “The American Conception of National Security,” p. 358.

⁴⁸ CIA, “Review of the World Situation as It Relates to the Security of the United States,” September 26, 1947. Quoted in Leffler, “The American Conception of National Security,” p. 364.

⁴⁹ Burton Berry, a career Foreign Service officer, noted in 1947 that it was time to “drop the pretense of one world.” Quoted in John Lewis Gaddis, “Spheres of Influence: The United States and Europe, 1945–1949,” in Gaddis, *The Long Peace: Inquiries into the History of the Cold War* (New York: Oxford University Press, 1987), p. 57.

the State Department began to rethink relations with Western Europe and the Soviet Union, a new policy emphasis emerged, one concerned with the establishment of a strong and economically integrated Europe. The idea was to encourage a multipolar postwar system, with Europe as a relatively independent center of power, in which Germany was integrated into a wider unified Europe.

This new policy was advanced by several groups within the State Department. The emphasis on building centers of power in Europe was a view George Kennan had long held, and it was articulated most consistently by his Policy Planning staff. “It should be the cardinal point of our policy,” Kennan argued in October 1947, “to see to it that other elements of independent power are developed on the Eurasian land mass as rapidly as possible in order to take off our shoulders some of the burden of ‘bi-polarity.’”⁵⁰ Kennan's staff presented its first recommendations to Secretary of State George Marshall on 23 May 1947. Their emphasis was not on the direct threat of Soviet activities in Western Europe but on the war-ravaged economic, political, and social institutions of Europe that made communist inroads possible. An American effort to aid Europe “should be directed not to combatting communism as such, but to the restoration of the economic health and vigor of European society.”⁵¹ In a later memorandum, the Policy Planning staff argued that the program should take the form of a multilateral clearing system to lead to the reduction of tariffs and trade barriers and eventually to take the form of a European Customs Union.⁵² Moreover, the Policy Planning staff argued that the initiatives and responsibility for the program should come from the Europeans themselves. This group clearly envisaged a united and economically integrated Europe standing on its own apart from the Soviet sphere and the United States. “By insisting

⁵⁰ Kennan to Cecil B. Lyon, 13 October 1947, Policy Planning Staff Records. Quoted in Gaddis, “Spheres of Influence,” p. 58. In Kennan's view, the arguments in favor of a multipolar—rather than bipolar—order were several. Multiple power centers were more likely to endure over the long term than the centers of power in a bipolar system, and this was important because containment would need to be a protracted exercise, and the willingness of the American people to sustain American leadership of a bipolar balance was uncertain. Moreover, a multipolar order was more likely to protect the values and institutions of the Western countries; it played to the strength of these countries. See John Lewis Gaddis, *Strategies of Containment*, esp. p. 42. See also Steve Weber, “Shaping the Postwar Balance of Power: Multilateralism in NATO,” in John G. Ruggie, ed., *Multilateralism Matters: The Theory and Praxis of an Institutional Form* (New York: Columbia University Press, 1993), pp. 240–42.

⁵¹ “The Director of the Policy Planning Staff [Kennan] to the Under Secretary of State [Acheson],” 23 May 1947, *Foreign Relations of the United States*, 1947, Vol. 3, p. 225. Kennan quotes the memorandum in his memoirs. George Kennan, *Memoirs: 1925–1950* (Boston: Little, Brown, 1967), p. 336.

⁵² Ernst H. Van Der Beugel, *From Marshall Plan to Atlantic Partnership* (Amsterdam: Elsevier, 1966), p. 43.

on a joint approach," Kennan later wrote, "we hope to force the Europeans to think like Europeans, and not like nationalists, in this approach to the economic problems of the continent."⁵³

A unified Europe was also seen by American officials as the best mechanism for containing the revival of German militarism. Kennan held this view, arguing in a 1949 paper that "we see no answer to German problem within sovereign national framework. Continuation of historical process within this framework will almost inevitably lead to repetition of post-Versailles sequence of developments. . . . Only answer is some form of European union which would give young Germans wider horizon."⁵⁴ As early as 1947, John Foster Dulles was arguing that economic unification of Europe would generate "economic forces operating upon Germans" that were "centrifugal and not centripetal"—"natural forces which will turn the inhabitants of Germany's state toward their outer neighbors" in a cooperative direction. Through an integrated European economy, including the internationalization of the Ruhr valley, Germany "could not again make war even if it wanted to."⁵⁵ Likewise, the American high commissioner for Germany, John McCloy, argued that a "united Europe" would be an "imaginative and creative policy" that would "link Western Germany more firmly into the West and make the Germans believe their destiny lies this way."⁵⁶ If Germany was to be bound to Europe, Europe itself would need to be sufficiently unified and integrated to serve as an anchor.

Encouraging European unity also appealed to State Department officials who were working directly on European recovery. In their view, the best way to get Europe back on its feet was through encouraging a strong and economically integrated Europe. The goal was also to increase the Western orientation of European leaders and to prevent a drift to the Left or the Right. This could be done not just by ensuring economic recovery but also by creating political objectives to fill the postwar ideological and moral

⁵³ Kennan, *Memoirs: 1925–1950*, p. 337. In a summary of his views at the time, "Mr. Kennan pointed out the necessity of European acknowledgement of responsibility and parentage in the plan to prevent the certain attempts of powerful elements to place the entire burden on the U.S. and to discredit it and us by blaming the U.S. for all failures." "Summary of Discussion on Problems of Relief, Rehabilitation and Reconstruction of Europe," 29 May 1947, *Foreign Relations of the United States*, 1947, Vol. 3, p. 235.

⁵⁴ "Question of European Union," Policy Planning staff paper quoted in Klaus Schwabe, "The United States and European Integration: 1947–1957," in Clemens Wurm, ed., *Western Europe and Germany, 1945–1960* (New York: Oxford University Press, 1995), p. 133.

⁵⁵ Ronald W. Pruessen, *John Foster Dulles: The Road to Power* (New York: Free Press, 1982), chapter 12.

⁵⁶ Thomas A. Schwartz, *America's Germany: John F. McCloy and the Federal Republic of Germany* (Cambridge: Harvard University Press, 1991), p. 95. See "A Summary Record of a Meeting of Ambassadors at Rome," 22–24 March 1950, *Foreign Relations of the United States*, 1950, Vol. 3, p. 817.

vacuum. As one May 1947 document argued, "the only possible ideological content of such a program was European unity."⁵⁷ Other officials who were concerned primarily with a postwar open trading system were alarmed by the economic distress in Europe and saw American aid and European unity as necessary steps to bring Western Europe back into a stable and open system.⁵⁸ These views helped push the Truman administration to announce the Marshall Plan of massive American aid. The plan itself would be administered in a way to promote European unity.⁵⁹ The idea of a united Europe was to provide the ideological bulwark for European political and economic construction. But disputes between the British and French over the extensiveness of supranational political authority and economic integration as well as European unwillingness to establish an independent security order left the early proposals for a European "third force" unfulfilled.

A final postwar view was of a full-blown Western alliance aimed at the bipolar balancing of the Soviet Union. By 1947, the world was beginning to look very different from the way most officials had envisaged in their postwar planning.⁶⁰ Although many American officials foresaw a decline of Allied unity after the war, few anticipated (much less desired) a hostile bipolar standoff and a formal and permanent American security alliance with Western Europe. This strategy emerged reluctantly in response to the Soviet takeover of Eastern Europe and the persistent efforts of Europe-

⁵⁷ Quoted in Beugel, *From Marshall Plan to Atlantic Partnership*, p. 45.

⁵⁸ See "The European Situation," Memorandum by the Under Secretary of State for Economic Affairs, *Foreign Relations of the United States*, 1947, Vol. 3, pp. 230–32. For a discussion, see Richard Holt, *The Reluctant Superpower: A History of America's Global Economic Reach* (New York: Kodansha International, 1995), pp. 126–31.

⁵⁹ For the argument that European cooperation and unity—perhaps even an "economic federation"—was an integral part of the European Recovery Program, see "Summary of Discussion on Problems of Relief, Rehabilitation and Reconstruction of Europe," 29 May 1947, *Foreign Relations of the United States*, 1947, Vol. 3, p. 235. See also Michael Hogan, "European Integration and the Marshall Plan," in Stanley Hoffman and Charles Maier, eds., *The Marshall Plan: A Retrospective* (Boulder, Col.: Westview, 1984); Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947–1952* (New York: Cambridge University Press, 1987); and Armin Rappaport, "The United States and European Integration: The First Phase," *Diplomatic History*, Vol. 5 (Spring 1981), pp. 121–49.

⁶⁰ Reflecting this circumstance, State Department official Charles Bohlen wrote in August 1947: "The United States is confronted with a condition in the world which is at direct variance with the assumption upon which, during and directly after the war, major United States policies were predicted. Instead of unity among the great powers—both political and economic—after the war, there is complete disunity between the Soviet Union and the satellites on one side and the rest of the world on the other. There are, in short, two worlds instead of one. Faced with this disagreeable fact, however much we may deplore it, the United States in the interest of its own well-being and security and those of the free non-Soviet world must reexamine its major policy objectives." "Memorandum by the Consul of the Department of State [Bohlen]," 30 August 1947, *Foreign Relations of the United States*, 1947, Vol. 1, pp. 763–64.

ans to draw the United States into an ongoing European defense commitment. European reluctance to become an independent "third force" was reinforced by threatening developments in the East, such as the February 1948 Czechoslovak coup. American policy continued to be one of reaction and reluctance as Europeans sought a closer security relationship with the United States.⁶¹ It was not until the Berlin crisis in June 1948 that American officials began to favor some sort of loose defense association with Western Europe. The Western Union formally requested negotiations with the United States on a North Atlantic treaty in October 1948.

This wide range of views makes it clear that the architects of the postwar settlement were trying to build more than one type of order. Several conclusions follow. First, there was a range of order-building ideas that predated the rise of bipolarity and containment. This helps explain the "layer cake" of institutions that eventually emerged. In fact, it is remarkable how late and reluctant the United States was in organizing its foreign policy around a global balance of power. As late as 1947, the State Department's Policy Planning staff did not see the Soviet Union as a direct security threat to Europe or the United States—nor did they see "communist activities as the root of the difficulties in western Europe." The crisis in Europe was fundamentally a result of the "disruptive effects of the war" on the economic, political, and social structures of Europe.⁶²

Second, the ideas that were advanced and debated before the breakdown of relations with the Soviet Union dealt primarily with the reconstructions of relations within the West, particularly among the Atlantic countries. Some postwar designs were more universal, such as those concerning free trade and global governance, but they also were to be anchored in a deepened set of relations and institutions among the Western democracies. Other ideas, such as the geopolitical arguments about access to the Eurasian rimlands, saw the stability and integration of the liberal capitalist world in essentially instrumental terms. But the goals and policies would have the same result. Likewise, many of those who eventually supported NATO and containment did so not simply to build an alliance against the Soviet Union but also because these initiatives would feed back into the Western liberal democratic order.

⁶¹ Some officials in the Truman administration, such as Director of the Office of European Affairs, John D. Hickerson, were urging military cooperation with Western Europe. See "Memorandum by the Director of the Office of European Affairs [Hickerson] to the Secretary of State, 19 January 1948, *Foreign Relations of the United States*, 1948, Vol. 3, p. 6–7. Others, such as George Kennan, resisted the idea of military union, arguing that it would be destructive of the administration's goal of European unity. See "Memorandum by the Director of the Policy Planning Staff [Kennan] to the Secretary of State," 20 January 1948, *Foreign Relations of the United States*, 1948, Vol. 3, pp. 7–8. See also Kennan, *Memoirs: 1925–1950*, pp. 397–406.

⁶² "The Director of the Policy Planning Staff [Kennan] to the Under Secretary of State [Acheson]," 23 May 1947, *Foreign Relations of the United States*, 1947, Vol. 3, p. 224–45.

Third, even many of the advocates of containment and the preservation of the European balance were also concerned with safeguarding and strengthening liberal democratic institutions in the West. One virtue that Kennan saw in a multipolar postwar order was that it would help to protect the liberal character of American politics and institutions. Kennan worried that if a bipolar order emerged, the United States might find itself trying to impose political institutions on other states within its sphere, and that would eventually threaten its domestic institutions.⁶³ The encouragement of dispersed authority and power centers abroad would reinforce pluralism at home.⁶⁴

Despite their different aims, most of the many designs for postwar order converged on the centrality of establishing an open and plural Western order. To some this was an end in itself, and to others it was a means to wider goals—goals of global multilateral governance on the one hand or bipolar balance on the other. Each grand design needed a stable and open core of industrial democracies. American officials maneuvered to lock in such an order, but to do so in a way that would be acceptable to the Europeans. To do this entailed a reluctant American movement toward a more managed economic order and a more formal and binding security commitment.

FROM FREE TRADE TO MANAGED OPENNESS

After the United States joined the war, State Department postwar planners focused most intently on economic relations and articulated an overriding goal: the reestablishment of a multilateral system of free trade. But American policy evolved from the Atlantic Charter to the Bretton Woods conference and then to the actual postwar arrangements, as the United States maneuvered to find agreement with Britain and other European countries and cope with unfolding economic and political disarray. The Europeans were less interested in securing an open postwar economy than in providing safeguards and protections against postwar economic dislocations and unemployment. The United States eventually moved toward a compromise settlement. Rather than a simple system of free trade, the industrial countries would establish a managed order organized around a set of multilateral institutions and a "social bargain" that sought to balance openness with domestic welfare and stability.

⁶³ See discussion of a Kennan speech at the Naval War College in October 1948 in Gaddis, *Strategies of Containment*, pp. 43–44. See also Weber, "Shaping the Postwar Balance of Power," p. 241.

⁶⁴ Kennan also worried that a permanent military alliance with Europe would turn the United States into a dominating imperial power that would provoke resistance by the Europeans and the American public. See David Calleo, *Beyond American Hegemony: The Future of the*

American official thinking was that economic openness, which would ideally take the form of a system of nondiscriminatory trade and investment, was an essential element of a stable and peaceful world political order. One argument was simply that openness was necessary for sustained economic growth, which in turn was a precondition of peace. "Prosperous neighbors are the best neighbors," remarked Treasury official Harry Dexter White.⁶⁵ This was a reflection of the Cobdenite philosophy: that trade protection and tariffs were linked to political conflict and, ultimately, war. The more general argument was made by State Department officials under the sway of Cordell Hull, who saw a postwar world of blocs—and even less self-contained spheres of influence—as inconsistent with political stability. As such, State Department officials were as concerned with British aims in the European postwar settlement as with Soviet foreign policy. In July 1945, a State Department document warned that a spheres-of-influence settlement in Europe would "represent power politics pure and simple, with all the concomitant disadvantages. . . . Our primary objective should be to remove the *causes* which make nations feel that such spheres are necessary to build their security, rather than to assist one country to build up strength against another."⁶⁶

But American officials were also convinced that the country's economic and security interests demanded economic openness; it was an essential element of political pluralism and the dispersion of power in Asia and Europe. Military planners were increasingly of this view as the war was coming to an end. The American embassy in Paris reported in 1944 that "General Eisenhower . . . does not believe that it would be in our interests to have the continent of Europe dominated by a single power, for then we would have a super-powerful Europe, a somewhat shaken British Empire and ourselves."⁶⁷ Such a view was also held in regard to Asia.⁶⁸

American Alliance (New York: Basic Books, 1987), pp 28–39; and John Lewis Gaddis, *We Now Know: Rethinking Cold War History* (New York: Oxford University Press, 1997), p. 200.

⁶⁵ Eckes, *A Search for Solvency*, p. 52.

⁶⁶ Potsdam Briefing Paper, "British Plans for a Western European Bloc," 4 July 1945, *Foreign Relations of the United States: The Conference of Berlin (The Potsdam Conference)*, 1945, Vol. 1, pp. 262–63. For a discussion of American opposition to a spheres of influence settlement, see John Lewis Gaddis, "Spheres of Influence: The United States and Europe, 1945–1949"; and Trachtenberg, *A Constructed Peace*, chapter one.

⁶⁷ "The American Representative to the French Committee of National Liberation at Paris (Caffery) to the Secretary of State," 20 October 1944, *Foreign Relations of the United States*, 1944, Vol. 3, p. 743. See John Lewis Gaddis, "The Insecurities of Victory: The United States and the Perception of the Soviet Threat after World War II," in Michael J. Lacey, ed., *The Truman Presidency* (New York: Cambridge University Press, 1989), pp. 240–41.

⁶⁸ See Bruce Cumings, "Japan's Position in the World System," in Andrew Gordon, ed., *Postwar Japan as History* (Berkeley and Los Angeles: University of California Press, 1993), pp. 34–63.

The idea of open markets was something that liberal visionaries and hard-nosed geopolitical strategists could agree upon. It united American postwar planners, and it was the seminal idea that informed the work of the 1944 Bretton Woods conference on postwar economic cooperation.⁶⁹ In his farewell remarks to the conference, Secretary of the Treasury Henry Morgenthau asserted that the agreements reached marked the end of economic nationalism, by which he meant not that countries would give up pursuit of their national interest but that trade blocs and economic spheres of influence would not be the vehicles for doing so.

American ideas for a multilateral free trade order had few enthusiastic proponents in Britain or continental Europe. As David Watt has pointed out, "Whatever the underlying realities of power, Britain and France started from the assumption that their own pre-war spheres of influence would be maintained or restored to them. . . . These ambitions did not fit in very easily to a framework of American tutelage or dominance."⁷⁰ Beyond the desire to retain their imperial holdings, the Europeans also worried about postwar depression and the protection of their fragile economies. This made them weary of America's stark proposals for an open world trading system and favor instead a more regulated and compensatory system.⁷¹

In Britain, the debate over the postwar economic order centered on the future of the imperial preference system, and the political establishment was divided.⁷² The core of the Conservative party favored the maintenance of empire; the Ottawa preference system was part of these special relations. "A section of the Conservative Party," E. F. Penrose points out, "valued the system of preferential duties on Empire goods as a force making for solidarity within the British Commonwealth of Nations."⁷³ Other conservatives, including Churchill, were more sympathetic to free trade and sup-

⁶⁹ This argument is made in Robert A. Pollard, *Economic Security and the Origins of the Cold War, 1945–1950* (New York: Columbia University Press, 1985).

⁷⁰ David Watt, "Perceptions of the United States in Europe, 1945–83," in Lawrence Freedman, ed., *The Troubled Alliance: Atlantic Relations in the 1980s* (New York: St. Martin's, 1983), pp. 29–30.

⁷¹ On Anglo-American disagreements over the nature of the postwar order, see Randall Bennett Woods, *A Changing of the Guard: Anglo-American Relations, 1941–1946* (Chapel Hill: University of North Carolina Press, 1990). The strongest claims about American and European differences over postwar political economy are made by Fred Block, *The Origins of International Economic Disorder* (Berkeley and Los Angeles: University of California Press, 1977), pp. 70–122.

⁷² On the general schools of thought among British foreign policy elites, see D. Cameron Watt, *Succeeding John Bull: America in Britain's Pace, 1900–1975* (Cambridge: Cambridge University Press, 1984), pp. 16–17.

⁷³ E. F. Penrose, *Economic Planning for the Peace* (Princeton: Princeton University Press, 1953), p. 19.

ported the preference system primarily to maintain unity within the conservative coalition. Labor politicians were more inclined to favor the preference system as a way to protect Britain's employment and balance of payments after the war, particularly if the international economy fell into recession. Turning away from multilateral open trade would mean relying on trade restriction and currency controls, perhaps splitting the world into blocs, but the British economy would be protected from the worst ills of trade competition and deflation. Still other officials realized that the imperial preference system and bilateral trade were not sustainable over the long term but wanted to use the Ottawa agreement to strike a better bargain with the United States.⁷⁴

British and American differences came into focus in the summer of 1941, when the celebrated economist John Maynard Keynes, working for the British Treasury, traveled to Washington, D.C., to begin negotiations over postwar economic plans. These negotiations were triggered by disagreements over Article 7 of the Lend-Lease agreement, which set forth the terms for postwar settlement of mutual aid obligations. The article stipulated that neither country would seek to restrict trade, and both would take measures to reduce trade barriers and eliminate preferential duties. American politicians wanted to make sure, after helping to ensure Britain's survival, that its businesses would not be shut out of British commonwealth markets. State Department officials presented their ideas on postwar free trade, and Keynes resisted. As the State Department reports: "He said that he did not see how the British could make such a commitment in good faith, that it would require an imperial conference and that it saddled upon the future an ironclad formula from the Nineteenth Century. He said that it contemplated the impossible and hopeless task of returning to a gold standard where international trade was controlled by mechanical monetary devices and which had proved completely futile."⁷⁵ The discussions revealed sharply different views on the virtues of an open trading system. The State Department saw it as an absolute necessity and a matter of principle, while Keynes and his colleagues considered it an attempt to rebuild what they considered a harmful and long out-of-date laissez-faire trade system—or what Keynes called "the lunatic proposals of Mr. Hull."⁷⁶

Movement toward a compromise came only later, after Keynes shifted to negotiations with American Treasury officials over postwar monetary order

⁷⁴ This was the position of most officials at the British Foreign Office and the Treasury. See the Foreign Office report "Note on Post-War Anglo-American Economic Relations," 15 October 1941 (Kew, Great Britain: Public Records Office, Foreign Office Files, Political Correspondence), FO371/28907.

⁷⁵ "Memorandum of Understanding, by the Assistant Secretary of State [Acheson]," July 28, 1941, *Foreign Relations of the United States*, 1941, Vol. 3, pp. 11–12.

⁷⁶ R. F. Harrod, *The Life of John Maynard Keynes* (London: Macmillan, 1951), p. 512.

and discovered a more tractable set of issues.⁷⁷ Keynes came to the view that perhaps an agreement could be reached with the United States for a monetary order that would be expansionary—an order that could keep the trading system open but safeguard against depression.⁷⁸ What followed was a flurry of monetary planning in both Britain and the United States, with Harry Dexter White leading American planning. Both British and American plans sought to eliminate exchange controls and restrictive financial practices, and to provide rules for alterations in rates of exchange. The Keynes plan was more ambitious, and included provisions for a new international currency and obligations on surplus countries to mobilize credit to correct maladjustments. The White plan restricted the obligations of creditor countries and proposed more modest resources for the purpose of responding to payment crises.⁷⁹ The two plans provided the framework of negotiations throughout 1943 and up to the Bretton Woods conference in July 1944. Many of the compromises were in the direction of the American plan, most importantly in the limitation on creditor country liability; but the plans shared a vision of managed open economic order that would attempt to give governments the tools and resources to manage imbalances without resort to deflationary and high-unemployment policies.

The agreement between British and American monetary planners was particularly important because it served to transcend the stalemate over the postwar trade system. Once agreement was reached in this area, the State Department found its old-style trade proposals of secondary significance in the emerging postwar settlement. The "embedded liberal" ideas of the Anglo-American deal on monetary order paved the way for broader agreement on postwar relations among the industrial countries.⁸⁰

The new Anglo-American monetary agreement also had a political resonance within the wider circles of British and American politics. The Bretton Woods agreements allowed political leaders to envisage a postwar economic order in which multiple and otherwise competing political

⁷⁷ This argument is made in G. John Ikenberry, "Creating Yesterday's New World Order: Keynesian 'New Thinking' and the Anglo-American Postwar Settlement," in Judith Goldstein and Robert O. Keohane, eds., *Ideas and Foreign Policy: Beliefs, Institutions, and Political Change* (Ithaca: Cornell University Press, 1993), pp. 57–86.

⁷⁸ Eckes, *Search for Solvency*, p. 65.

⁷⁹ The White plan is published in "Memorandum by the Secretary of the Treasury [Morgenthau] to President Roosevelt," 15 May 1942, *Foreign Relations of the United States*, 1942, Vol. 1, pp. 171–90.

⁸⁰ For a discussion of "embedded liberalism," see John G. Ruggie, "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order," in Stephen D. Krasner, ed., *International Regimes* (Ithaca: Cornell University Press, 1983); and John G. Ruggie, "Embedded Liberalism Revisited: Institutions and Progress in International Economic Relations," in Emanuel Adler and Beverly Crawford, eds., *Progress in Postwar International Relations* (New York: Columbia University Press, 1991).

objectives could be combined. The alternatives of the past—of the nineteenth century and of the interwar period—suggested options that were too politically stark. Outside the narrow transatlantic community of economists and policy experts, politicians were looking for options that could steer a middle course.

This search for a middle course between bilateralism and laissez-faire was clearly on the minds of the British. In a conversation with John Foster Dulles (at the time a corporation lawyer in New York), Ambassador Lord Halifax cabled the British Foreign Office in October 1942:

The most interesting point on the economic side of the discussion was Mr. Dulles' exposition of the Cordell Hull School of free trade, and the place which it had in the plans of the Administration. I said to him that I thought that we did not clearly understand what the significance of the Hull policies was. There was a feeling in some quarters here that we were faced with two alternatives, either we must revert to a completely 19th century system of laissez-faire, or else we must safeguard our balance of payments position by developing a bilateral system of trade with those countries whose natural markets we were. It seemed to me that neither of these courses would work, the first was clearly impossible, the second might be disastrous. I asked Mr. Dulles whether there might be some middle course which would take account of our special difficulties and which at the same time would satisfy Mr. Cordell Hull on the question of discrimination, preferences, etc.⁸¹

The Bretton Woods agreements were important because they served as a basis for building broader coalitions around a relatively open and managed order. It was a middle path that generated support from both the conservative free traders and the new enthusiasts of economic planning. It was agreed that just lowering barriers to trade and capital movements was not enough. The leading industrial states must actively supervise and govern the system. Institutions, rules, and active involvement of governments were necessary. One lesson came from the 1930s: the fear of economic contagion, where unwise or untoward policies pursued by one country threatened the stability of others. As Roosevelt said at the opening of the Bretton Woods conference, "the economic health of every country is a proper matter of concern to all its neighbors, near and far."⁸² But the settlement also provided governments with the ability to deliver on the new promises of the welfare state, pursuing expansionary macroeconomic policies and protecting social welfare.

⁸¹ Dispatch from Ambassador Halifax to the Foreign Office, 21(?) October 1942, FO371/31513.

⁸² Roosevelt, "Opening Message to the Bretton Woods Conference," 1 July 1944. Quoted in the *New York Times*, 2 July 1944, p. 14.

More generally, the emphasis on creating an order that provided economic stability and security was, as seen earlier, a central objective of American planners, whose main concern was with postwar security and a European "third force." Liberal free traders came to this view by recognizing the new necessity of a managed capitalist order that was organized in such a way as to give governments the ability to pursue economic growth and stability. Security officials came to this view by recognizing that the greatest security threats to Europe (and indirectly the United States) came from inside these societies, through economic crisis and political disarray.⁸³

In seeking agreement over postwar economic relations, the United States moved in the direction of Britain and the Europeans. The British were instrumental in seeking out the parts of the American government that were most congenial with their aims. The result was a system that was more or less open, provided institutions to manage this openness, but also offered enough loopholes to allow governments to protect their weak economies.⁸⁴ The United States gained its agreement and the European gained commitments, mechanisms, and obligations institutionalized in the postwar order.

FROM "THIRD FORCE" TO SECURITY COMMITMENT

In 1947 and the following years, the United States appeared to hold the military and economic power needed to shape the terms of European reconstruction. With a monopoly on the atomic bomb, a massive (although demobilizing) standing army, and an industrial economy enlarged by the war, the United States appeared to have all the elements of hegemonic power. Moreover, the United States had what Europeans needed most: American dollars. "More and more as weeks succeed weeks," the *Economist* noted in May 1947, "the whole of European life is being overshadowed

⁸³ For a discussion of the domestic pressures for a stable postwar economy, see Robert Griffith, "Forging America's Postwar Order: Domestic Politics and Political Economy in the Age of Truman," in Michael J. Lacey, ed., *The Truman Presidency*, pp. 57–88. On the wide appeal of growth-oriented policies and institutions, and their role in facilitated agreement within the West, see Charles Maier, "The Politics of Productivity," in Peter J. Katzenstein, ed., *Between Power and Plenty: The Foreign Economic Policies of Advanced Industrial States* (Madison: University of Wisconsin Press, 1978). On the concern of defense officials in fostering economic security and stability in postwar Europe, see Melvyn P. Leffler, "The American Conception of National Security and the Beginnings of the Cold War, 1945–48."

⁸⁴ The eventual agreement on trade relations also had these features. As a British official noted in discussions over trade arrangements, "there must be in the international settlement which we are now devising sufficient escape clauses, let-outs, special arrangements, call them what you will, which will enable those countries which are adopting internal measures for full employment to protect themselves." Quoted in Richard Gardner, *Sterling-Dollar Diplomacy*, p. 277.

by the great dollar shortage. The margin between recovery and collapse throughout Western Europe is dependent at this moment upon massive imports from the U.S."⁸⁵

It is all the more striking, therefore, how successful European governments were at blunting and redirecting American policy toward Europe. This resistance by Europe to the construction of a European third force had several sources and differed from country to country. Each sought to use American power—to make it predictable, to establish ongoing commitments—for its own national purposes. The same considerations that led to the rejection of a full-blown united Europe prompted these same governments to encourage a direct American political and security commitment to Europe.

The British were the most resistant to a united Europe, but reacted positively to the larger political objectives of Marshall Plan aid. A secret Cabinet session in March 1948 concluded that Britain "should use United States aid to gain time, but our ultimate aim should be to attain a position in which the countries of western Europe could be independent both of the United States and the Soviet Union."⁸⁶ Yet as a practical matter, the British resisted significant steps in that direction. In a meeting of American ambassadors in Europe in October 1949, Ambassador David Bruce argued: "We have been too tender with Britain since the war: she has been the constant stumbling block in the economic organization of Europe."⁸⁷

The British were eager to maintain their special relationship with the United States. They feared that it would be undermined by the emergence of a confederation with European states. Moreover, the political and economic burdens of sustaining a European center of power would only further strain the British Commonwealth system. As with several of the other European countries, the British also feared the eventual dominance of Germany or even Russia in a unified Europe. These considerations implied the need for more, not less, American involvement in postwar Europe, particularly in the form of the NATO security relationship. As David Calleo notes: "NATO seemed an ideal solution. With American commanders and forces taking primary responsibility for European ground defense, no question would remain about America's willingness to come to Europe's aid. Britain would reserve for itself those military and naval commands needed to retain control over its own national defense."⁸⁸ Indeed, in 1952 the British sought to reduce the role of the Organization for European

Economic Cooperation and transfer its functions to NATO—a clear attempt to build the Atlantic relationship at the expense of European unity.⁸⁹

British officials were more concerned with preventing a return by the United States to an isolationist position than with an overbearing American hegemonic presence in Europe. "The fear was not of American expansionism," Gaddis notes, "but of American isolationism, and much time was spent considering how such expansionist tendencies could be reinforced."⁹⁰ Just as they had during World War I, the British and other Europeans gave encouraging responses to American ideas about postwar security cooperation and peacekeeping, as two historians argue, "if only because it would bind the United States to participate in world affairs as she had omitted to do in the years between the wars."⁹¹ It is no surprise, therefore, that in encouraging the United States to lead a security protectorate of Europe, the British began to stress the seriousness of the Soviet threat in Europe. In January 1948, British Foreign Minister Ernest Bevin warned Washington of "the further encroachment of the Soviet tide" and the need to "reinforce the physical barriers which still guard Western civilization."⁹²

The French also actively courted an American security guarantee. To be sure, many French were sympathetic to the goal of a more unified Europe. Integration was useful in fostering French influence across Europe, and a political and economic union would also allow France to have some influence over the revival of the German economy as well as tie Germany to a larger regional framework.⁹³ But the French insisted that the rehabilitation of western Germany would only be acceptable within a security framework that involved the United States. An American security tie, even more than a unified Europe, was needed to contain both the Germans and the Soviets. As in the British case, an American security guarantee would also free up some resources, otherwise tied to European defense, that could be used for preserving the remains of its colonial empire.⁹⁴ Connected to Europe, the United States would be more predictable and its resources more available.

Throughout the postwar years, European pressure for a durable American security tie was connected to the problem of postwar Germany. In

⁸⁹ Beloff, *The United States and the Unity of Europe*, p. 69.

⁹⁰ Gaddis, "The Emerging Post-Revisionist Synthesis on the Origins of the Cold War," *Diplomatic History*, Vol. 7, No. 3 (Summer 1983), pp. 171–90.

⁹¹ Wheeler-Bennett and Nicholls, *The Semblance of Peace*, p. 89.

⁹² "Summary of a Memorandum Representing Mr. Bevin's Views on the Formation of a Western Union," enclosed in Inverchapel to Marshall, 13 January 1948, *Foreign Relations of the United States*, 1948, Vol. 3, pp. 4–6.

⁹³ See Charles Maier, "Supranational Concepts and National Continuity in the Framework of the Marshall Plan," in Stanley Hoffman and Charles Maier, eds., *The Marshall Plan: A Retrospective* (Boulder, Colo.: Westview, 1984), pp. 29–37.

⁹⁴ Calleo, *Beyond American Hegemony*, p. 35. See also Michael M. Harrison, *The Reluctant Ally: France and Atlantic Security* (Baltimore: Johns Hopkins University Press, 1981).

⁸⁵ "Dollars for Europe?" *Economist*, 31 May 1947, p. 833.

⁸⁶ Quoted in Gaddis, "Spheres of Influence," p. 66.

⁸⁷ "Summary Record of a Meeting of United States Ambassadors at Paris," 21–22 October 1949, *Foreign Relations of the United States*, 1949, Vol. 4, p. 492. See Leffler, *Preponderance of Power*, p. 320.

⁸⁸ Calleo, *Beyond American Hegemony*, p. 35.

frequent meetings of foreign ministers during 1946 and 1947, American and British officials were unable to bridge differences with the Soviet Union over the joint management of occupied Germany.⁹⁵ At the same time, the economic weakness in western Europe made the rebuilding and reintegration of western Germany—particularly the industrial and coal-rich Ruhr region—into Europe increasingly important to the economic revival and political stability of Europe.⁹⁶ Such a move was resisted, however, most vigorously by the French, who felt threatened by the possible resurgence in German power. By the London foreign ministers' meeting in December 1947, the breakdown of a unified approach to postwar Germany was complete, and the issue between the Americans and Europeans was turning to precisely how western Germany was to fit within the larger Western order. American officials took the lead in seeking the reintegration of the western German zones.⁹⁷ But at each step along the way, France and Britain attempted to exchange their acquiescence on western German reconstruction for a binding American security commitment. France initially tried to tie its agreement to merge its occupation zone with the other zones to American security guarantees. The European worry, not entirely unjustified, was that the United States sought to encourage a unified and integrated Europe as a prelude to its own withdrawal from direct occupation or security ties. The glimmerings of a bargain began to emerge: the Europeans would agree to the rehabilitation and reintegration of western Germany in exchange for an American security treaty.

In late 1947, European efforts intensified to draw the United States into a security relationship. British Foreign Minister Bevin outlined his ideas on military cooperation to Secretary of State Marshall in December 1947. A regional European organization centered around Britain, France, and the Benelux countries would be linked to the other Western European countries and to the United States. Marshall signaled his interest in the plan but later indicated that the United States could not presently make

⁹⁵ On the breakdown of four-power talks over Germany and the fateful shift in American policy in favor of integration of the western German zones into Western Europe, see Trachtenberg, *A Constructed Peace*, chapter two.

⁹⁶ On the centrality of European economic recovery to political stability, and the importance of German economic revival to European economic recovery, see "Memorandum by the Under Secretary of State for Economic Affairs [Clayton]," 27 May 1947, and "Summary of Discussion on Problems of Relief, Rehabilitation and Reconstruction of Europe," 29 May 1947, *Foreign Relations of the United States*, 1947, Vol. 3, pp. 230–32, 234–36.

⁹⁷ Kennan argued that the French and other Europeans should be brought "to an enlightened understanding of the necessities of the German situation; to the acknowledgement of their responsibility for integrating western Germany into western Europe, and to a detailed agreement with us as to how this shall be done. To this effort we must expect to give, as well as to receive, concessions." "Resume of World Situation," 6 November 1947, *Foreign Relations of the United States*, 1947, Vol. 1, p. 774–75.

any commitments.⁹⁸ Importantly, in discussions with Secretary of State Marshall, Bevin did not argue that a security treaty with the United States was needed to protect Europe from the Soviet Union; a security guarantee was needed to protect western Europe from the possible revival of German aggression.⁹⁹

Bevin renewed his call for a Western union in a January 1948 speech to the House of Commons, which advocated "uniting by trade, social, cultural and all other contacts those nations of Europe and the world who are ready and able to cooperate."¹⁰⁰ In conversations with the State Department, Bevin argued that European defense efforts would not be possible without American assistance. "The treaties that are being proposed cannot be fully effective nor be relied upon when a crisis arises unless there is assurance of American support for the defense of Western Europe."¹⁰¹ The French also sought to draw the United States into playing a military role in Western Europe. Foreign Minister Georges Bidault called upon the United States "to strengthen in the political field, and as soon as possible in the military one, the collaboration between the old and the new worlds, both so jointly responsible for the preservation of the only truly valuable civilization."¹⁰²

Some officials in the Truman administration, such as the director of the Office of European Affairs, John D. Hickerson, were urging military cooperation with Western Europe.¹⁰³ Others, most notably George Kennan, resisted the idea of a military union, arguing that it would be destructive of the administration's goal of European unity.¹⁰⁴ The official position of

⁹⁸ "Memorandum of Conversation by the British Foreign Office," undated, *Foreign Relations of the United States*, 1947, Vol. 3, pp. 818–19. See also Geir Lundestad, *American, Scandinavian, and the Cold War, 1945–1949* (New York: Columbia University Press, 1980), pp. 171–72.

⁹⁹ "British Memorandum of Conversation," *Foreign Relations of the United States*, 1947, Vol. 2, pp. 815–22.

¹⁰⁰ Quoted in John Baylis, "Britain and the Formation of NATO," in Joseph Smith, ed., *The Origins of NATO* (Exeter: University of Exeter Press, 1990), p. 11.

¹⁰¹ "The British Ambassador [Inverchapel] to the Under Secretary of State [Lovett]," *Foreign Relations of the United States*, 1948, Vol. 3, p. 14. In his memoir, British Prime Minister C. R. Attlee referred to the making of the Brussels treaty and the Atlantic Pact as "the work of Bevin." Attlee, *As It Happened* (London: Heinemann, 1954), p. 171. See also Escott Reid, *Time of Fear and Hope: The Making of the North Atlantic Treaty, 1947–1949* (Toronto: McClelland and Stewart, 1977).

¹⁰² Quoted in Lundestad, "Empire by Invitation? The United States and Western Europe, 1945–1952," *Journal of Peace Research*, Vol. 23 (September 1986), p. 270.

¹⁰³ "Memorandum by the Director of the Office of European Affairs [Hickerson] to the Secretary of State," 19 January 1948, *Foreign Relations of the United States*, 1948, Vol. 3, pp. 6–7.

¹⁰⁴ "Memorandum by the Director of the Policy Planning Staff [Kennan] to the Secretary of State," 20 January 1948, *Foreign Relations of the United States*, 1948, Vol. 3, pp. 7–8. See also Kennan, *Memoirs, 1925–1950*, pp. 397–406.

the Truman administration during this period was ambiguous: it was sympathetic to European concerns but reluctant to make a commitment. After repeated British attempts to obtain an American pledge of support, Under Secretary of State Robert Lovett informed the British ambassador that the Europeans themselves must proceed with discussions on European military cooperation. Only afterward would the United States consider its relationship to these initiatives.¹⁰⁵ The British, undeterred, continued to insist on American participation in plans for Western European defense.

The result was a quickening of European security preparations and an appeal for American involvement. Belgium, France, Luxembourg, the Netherlands, and Britain concluded negotiations on the Brussels Pact in March 1948 but also anticipated a defense association with the United States. Indeed, they agreed that the United States would need to take the lead in balancing the Soviet Union. It was not until the Czech coup, on 12 March 1948, that the United States formally agreed to engage in joint talks with the West Europeans on an Atlantic security system. American willingness to move toward an Atlantic treaty hinged on the importance of western Germany. There was no alternative to some sort of American treaty commitment if the revival of western Germany was to be accomplished without threatening France and if European integration was to go forward.

In the negotiations that followed, the French and British pressed for a formal, treaty-based commitment, and the United States conceded only enough to keep the Europeans moving toward economic and security cooperation and the acceptance of western German rehabilitation and reintegration. American declarations of "association" with European security efforts—such as the June 1948 Vandenberg Resolution—and agreement to prolong the occupation period were early efforts by the United States to reassure France and Britain without making specific security promises. Even once the United States decided—as it did in last months of 1948—that ongoing American security assistance to Europe would be necessary, it sought some ambiguity as to the specific defense commitment.¹⁰⁶ The final language of Article 5 of the treaty was a compromise that attempted to both provide a security guarantee and reserve the right of the American government—and the Senate—to determine its specific meaning.¹⁰⁷

¹⁰⁵ "The Under Secretary of State [Lovett] to the British Ambassador [Inverchapel]," 2 February 1948, *Foreign Relations of the United States*, 1948, Vol. 3, pp. 17–18.

¹⁰⁶ See Ireland, *Creating the Entangling Alliance*, pp. 100–12.

¹⁰⁷ The NATO agreement signed in April 1949 pledged the new partners to close political and economic collaboration, and "to develop their individual and collective capacity to resist armed attack." The most important part of the agreement was Article 5: an "armed attack against one or more of them . . . shall be considered an attack against them all." Each party would then "individually and in concert with the other Parties [take] such action as it deems

The North Atlantic Pact was not understood by most American officials in 1949 as an automatic or permanent security guarantee. Its purpose was to lend support to European steps to build stronger economic, political, and security ties within Europe itself.¹⁰⁸ In this sense, the NATO agreement was a continuation of the Marshall Plan strategy: to extend assistance to Europe in order to improve the chances that Europe would succeed in reviving and integrating itself. Even the strongest advocates within the Truman administration of a security treaty with Europe understood that European unity was a necessary component of an Atlantic security pact, and many anticipated that once a confident and unified Europe emerged, the Atlantic alliance would recede in importance or even lapse.¹⁰⁹ Nowhere in the negotiations over the treaty was there an intention to create a large transatlantic NATO bureaucracy or an integrated military establishment headed by an American general.

Binding security ties took a major step forward after 1950. As the Cold War worsened—most dramatically with the Korean War and the advent of the Soviet bomb—and the practical necessity of Western military rearmament arose, pressure intensified for the rehabilitation of western Germany. The political stakes also were raised. Now the issues under discussion were German rearmament and the restoration of its political sovereignty. As in the initial postwar years, European acquiescence in the strengthening of western Germany hinged on American willingness to commit itself to European security. This would entail a more formal, far-reaching, and integrated role of the American military in the organization of European security. The solution to German rearmament and statehood was its further integration in European economic institutions and the Atlantic alliance. A powerful and independent Germany, able to balance between East and West, was unacceptable to the United States and to the other western governments.¹¹⁰ This triggered complex and protracted negotiations that ultimately created an integrated European military force within NATO and legal agreements over the character and limits on West German sovereignty.¹¹¹ But the transformation of Germany's status within the western

necessary, including the use of armed force." The Senate ratified the treaty by a 82–to–13 vote, and protected its freedom of action by declaring that the constitutional relationship—and in particular the Senate's power to declare war—had not be altered by the agreement. See Timothy P. Ireland, *Creating the Entangling Alliance* (Westport, Conn.: Greenwood, 1981).

¹⁰⁸ See "Statement on the North Atlantic Pact, Department of State," 20 March 1949, *Foreign Relations of the United States*, 1949, Vol. 4, pp. 240–41.

¹⁰⁹ This point is made in Peter Foot, "America and the Origins of the Atlantic Alliance: A Reappraisal," in Smith, ed., *The Origins of NATO*, pp. 82–94.

¹¹⁰ Tractenberg, *A Constructed Peace*, chapter four.

¹¹¹ A treaty governing the relationship between the new German state and Britain, France, and the United States was signed in 1952, and specified ongoing "rights and responsibilities" of the three powers. "Convention on Relations between the Three Powers and the Federal

system could only be accomplished with a watershed expansion of the American security role in Europe.

A reciprocal process of security binding lay at the heart of the emerging Western order. John McCloy identified the "fundamental principle" of American policy in the early 1950s: that "whatever German contribution to defense is made may only take the form of a force which is an integral part of a larger international organization. . . . There is no real solution of the German problem inside Germany alone. There is a solution inside the European-Atlantic-World Community."¹¹² The rearmament of western Germany would be accomplished with elaborate institutional restraints that would enmesh the German military within alliance structures. But to make an integrated military system work, the United States had to preside over it in order to reassure hesitant Europeans. France and Britain were eager to establish an integrated military system—with an American NATO commander and American troops stationed on the continent—but they feared German rearmament. Negotiations culminated in May 1952, with the signing of the European Defense Community treaty, which created an integrated European military force—an agreement only possible by embedding it within NATO and by assurance of America's "permanent association" within NATO.¹¹³ It took two additional years to work out the complex and interrelated agreements and declarations—the so-called Paris Accords—that together provided the political structure that bound Germany, the United States, and Europe together.¹¹⁴

Throughout the early postwar period, the Europeans were more worried about American abandonment than domination. Their interest in building a postwar alliance was driven to a substantial degree by a desire to ensure stable and continuous American involvement. The United States was more interested, at least initially, in the development of a European "third force"

Republic of Germany, May 26, 1952, as modified by the Paris Accords of October 1954," reprinted in Department of State, *Documents on Germany, 1944–1985* (Washington, D.C.: Department of State, 1986), pp. 425–30. See also Paul B. Stares, *Allied Rights and Legal Constraints on German Military Power* (Washington, D.C.: Brookings Institution, 1990).

¹¹² Quoted in Schwartz, *America's Germany*, p. 228. For a similar view by Secretary of State Acheson, see "The Secretary of State [Acheson] to the Embassy in France," 29 November 1950, *Foreign Relations of the United States*, 1950, Vol. 3, p. 497.

¹¹³ Reflecting the complexity of EDC negotiations, the treaty that was finally signed in May 1952 contained 132 articles and various protocols—in comparison to NATO's 14 articles. See Ronald W. Pruessen, "Cold War Threats and America's Commitment to the European Defense Community: One Corner of a Triangle," *Journal of European Integration History*, Vol. 2, No. 1 (1996), pp. 60–61; Saki Dockrill, "Cooperation and Suspicion: The United States' Alliance Diplomacy for the Security of Western Europe, 1953–54," *Diplomacy and Statecraft*, Vol. 5, No. 1 (March 1994), pp. 138–82; and Ernest R. May, "The American Commitment to Germany, 1949–55," *Diplomatic History*, Vol. 13 (Fall 1989), pp. 431–60.

¹¹⁴ See Trachtenberg, *A Constructed Peace*, chapter four.

that would allow the Europeans to muster their own defense. NATO was partly a structure designed to reintegrate Germany into the Western system. This in turn was supported by many officials because it also served to counter Soviet power, but American policy was more ambitious than simply managing the emerging bipolar order—it also sought to reconstruct and reintegrate Germany as a liberal capitalist country, thereby locking in a stable and open order among the industrial democracies. It was both a means and an end.¹¹⁵ The rise of tensions with the Soviet Union helped move the United States toward a more formal security commitment, but it was the Europeans who lead the effort by seeking to make American power more predictable, useful, and institutionalized.

LIMITING THE RETURNS TO POWER

In moving away from its original postwar economic and security goals, the United States was effectively engaging in strategic restraint, thereby reassuring its would-be European and Asian partners that participation in the American postwar order would not entail coercive domination. In other words, the United States gained the acquiescence of secondary states by accepting limits on the exercise of its own hegemonic power. At the heart of the American postwar order was an ongoing trade-off: the United States would agree to operate within an institutionalized political process and, in return, its partners agree would be willing participants.

There are a variety of ways in which the United States and its prospective partners were able to overcome constraints and create reassurances and credible commitments. The reluctant character of American hegemony, rooted in its legacy of isolationism and exceptionalism, lowered the fears of imperial-style domination. The "penetrated" character of American hegemony provided opportunities for voice and reciprocity in hegemonic relations. Likewise, the use of "institutional binding" as a mechanism to mutually constrain the hegemon and secondary states also provided the means to reassure America's partners that it would not abandon or dominate. Reassurance and commitment followed from American structure and policy. The structural circumstances that America presented the world were relatively straightforward: a big and open democracy, easily engaged and accessible to foreign governments and official representations. American policy and its self-conscious interest in fostering a postwar settlement that would be embraced as legitimate were also important. Together these elements

¹¹⁵ Mary N. Hampton, "NATO at the Creation: U.S. Foreign Policy, West Germany and the Wilsonian Impulse," *Security Studies*, Vol. 4, No. 3 (Spring 1995), pp. 610–56; and Hampton, *The Wilsonian Impulse: U.S. Foreign Policy, the Alliance, and German Unification* (Westport, Conn.: Praeger, 1996).

produced the type of strategic restraint necessary to achieve agreement. The postwar order was established in a way that served to limit the returns to power.

Reluctant Hegemony

The shifts in American postwar economic and security positions, noted earlier, show the limits of American hegemony and the way in which the United States sought to make that hegemony acceptable to the Europeans. The United States did use its power to get the Europeans and Japanese to integrate and operate within an open postwar system.¹¹⁶ But the United States was not eager to manage directly the system or coerce other states within it. It was willing to modify its position in order to get agreement. It reluctantly took on greater security commitments to gain overall acquiescence by the Europeans in a postwar order. European (and later Japanese) willingness to participate within the order was due in part to the generally reluctant posture of American foreign policy.

The reluctance of American hegemony can be seen in its early proposals for a system of free trade. In addition to its specific economic and political merits, a free-trade order had another attraction for the United States: it allowed it to be internationalist without making specific postwar security commitments. A liberal multilateral economic order would allow the United States to project its own ideals onto a world where depression and war had clearly demonstrated the bankruptcy of European ideas of spheres of influence and economic nationalism. If the United States could no longer isolate itself from the affairs of Europe, it would need to alter the terms of internationalist politics. Only on this basis would congressional and public opinion allow the United States to play an internationalist role. An open system of free trade, once established, would be self-regulating

¹¹⁶ To be sure, the United States did attempt to use its material resources to pressure and induce Britain and the other industrial democracies to abandon bilateral and regional preferential agreements and accept the principles of a postwar economy organized around a nondiscriminatory system of trade and payments. The 1946 British Loan deal was perhaps the most overt effort by the Truman administration to tie American postwar aid to specific policy concessions by allied governments. This was the failed Anglo-American Financial Agreement, which obliged the British to make sterling convertible in exchange for American assistance. See Richard Gardner, *Sterling-Dollar Diplomacy*; and Alfred E. Eckes, Jr., *A Search for Solvency*. The United States knew it held a commanding position and sought to use its power to give the postwar order a distinctive shape. The huge disparity in American and European power was not immediately or fully appreciated in either Washington or European capitals at the war's end. Many of the most important adjustments in American policy, such as the delay of currency convertibility and the increase in direct American assistance, were caused by a growing realization of the underlying economic and security weakness of Britain and continental Europe. See Leffler, *A Preponderance of Power*, chapter one.

and would not require direct American involvement in Europe. For an American public eager to see its troops return home, ideals and prudence reinforced this initial American view of postwar order.

The attraction of an open liberal economic system was that it could run itself. The United States could have it both ways: it could ensure that the postwar order was congenial to American economic and political interests, but it would also allow the United States to not get too involved overseas. In many ways, it was the same attraction that Wilson had for the League of Nations' collective security system: if all the major countries agreed to basic principles of democracy and joint security, the system would largely run automatically. In both periods, American reluctance actively to manage interstate relations allayed some European fears of American domination, but it raised worries about abandonment. After 1945, the United States did find ways to allay these worries, as well.

Early postwar efforts by the United States to aid Europe were also pursued in part to help foster the conditions in Europe that would allow the United States to withdraw eventually. This idea was explicit in the thinking of officials such as George Kennan, and it lay behind the notion of creating a European "third force" and the American championing of European integration. The Marshall Plan was to last just four years, after which the Europeans would be on their own. This view was expressed by Paul Hoffman, the Marshall Plan's first administrator: "the idea is to get Europe on its feet and off our backs."¹¹⁷ When the NATO treaty was signed in 1949, it was also seen by many American officials as a transitional agreement that would provide encouragement and support for Europeans as they developed more unified economic, political, and security institutions.

This pattern of American policy toward Europe reflected a more general American orientation as the war came to an end. It wanted a world order that would advance American interests, but it was not eager to organize and run that order. It is in this sense that the United States was a reluctant superpower.¹¹⁸ This general characteristic was not lost on Europeans who, rather than resisting the encroachments of the United States, actively "invited" American involvement.¹¹⁹ To the extent that the United States could convey the sense that they did not seek to dominate the Europeans, it gave

¹¹⁷ Quoted in Peter Foot, "America and the Origins of the Atlantic Alliance," p. 83.

¹¹⁸ See Holt, *The Reluctant Superpower*.

¹¹⁹ This argument has been developed most systematically by the historian Geir Lundestad. See his, "Empire by Invitation?" pp. 263–77; Lundestad, *The American "Empire" and Other Studies of US Foreign Policy in Contemporary Perspective* (New York: Oxford University Press, 1990); and Lundestad, "'Empire by Invitation' in the American Century," *Diplomatic History*, Vol. 23, No. 2 (Spring 1999), pp. 189–217. See also David Reynolds, "America's Europe, Europe's America: Image, Influence, and Interaction, 1933–1958," *Diplomatic History*, Vol. 20 (Fall 1996); and Gaddis, *We Now Know*, chapter two, pp. 651–66.

greater credibility to America's proposals for a constitutional settlement. It provided some reassurance that the United States would operate within limits and not use its overwhelming power simply to dominate.

Beyond the reluctance of American hegemony, there was also a self-conscious effort by administration officials to infuse the postwar system with a sense of legitimacy and reciprocal consent. When American officials began to organize Marshall Plan aid for Europe, for example, there was a strong desire to have the Europeans embrace American aid and plans as their own, thus enhancing the legitimacy of the overall postwar settlement. At a May 1947 meeting, George Kennan argued that it was important to have "European acknowledgement of responsibility and parentage in the plan to prevent the certain attempts of powerful elements to place the entire burden on the United States and to discredit it and us by blaming the United State for all failures." Similarly, State Department official Charles Bohlen argued that United States policy should not be seen as an attempt "to force 'the American way' on Europe."¹²⁰ The United States wanted to create an order that conformed to its liberal democratic principles, but this could only be done if other governments embraced such a system as their own.

An important reason why American officials were preoccupied with the legitimacy of the postwar Western order was that this was seen as a necessary precondition of European political stability, economic growth, and centrist governing regimes. The United States spent little of its hegemonic power trying to coerce and induce other governments to buy into American rules and institutions. It spent much more time and resources trying to create the conditions under which postwar European governments and publics would remain moderate and pro-Western. Truman administration officials sought to encourage moderate political parties and governing coalitions in Europe. At the State Department, Charles Bohlen argued in 1946 that "It is definitely in the interest of the United States to see that the present left movement throughout the world, which we should recognize and even support, develops in the direction of democratic as against totalitarian systems."¹²¹ Most American officials supported the Marshall Plan for precisely this reason. They hoped to create a socioeconomic environment in Europe that would be congenial to the emergence and dominance of moderate and centrist governments.

What emerged was a Western postwar order organized around liberal democratic policies and institutions. It was hegemonic in the sense that it was centered around the United States and reflected American-styled po-

¹²⁰ "Summary of Discussion on Problems of Relief, Rehabilitation and Reconstruction of Europe," 29 May 1947, *Foreign Relations of the United States*, 1947, Vol. 3, p. 235.

¹²¹ Quoted in Gaddis, "Dividing Adversaries," in Gaddis, *The Long Peace*, p. 150.

litical mechanisms and organizing principles. It was a liberal order in that it was legitimate and marked by reciprocal interactions. Europeans were able to reconstruct and integrate their societies and economies in ways that were congenial to American hegemony but that also gave them room to experiment with their own autonomous and semi-independent political systems. Postwar Europe was in part organized by American hegemony, but it also used it for its own political ends.¹²²

Democracy and Open Hegemony

A second way that the United States projected reassurance was structural. The open and decentralized character of the American political system provided opportunities for other states to exercise their "voice" in the operation of the American hegemonic order, thereby reassuring these states that their interests could be actively advanced and processes of conflict resolution would exist. In this sense, the American postwar order was an open or penetrated hegemony, an extended system that blurred domestic and international politics as it created an elaborate transnational and trans-governmental political system with the United States at its center.¹²³

There are several ways in which America's open hegemony served to reinforce the credibility of the United States' commitment to operating within an institutionalized political order. The first is simply the transparency of the system, which reduced surprises and allayed worries by partners that the United States might make abrupt changes in policy. This transparency comes from the fact that policy making in a large, decentralized democracy involves many players and an extended and relatively visible political process. The open and competitive process may produce mixed and ambiguous policies at times, but the transparency of the process at least allows other states to make more accurate calculations about the likely direction of American foreign policy. This lowers levels of uncertainty and provides a measure of reassurance which, everything else being equal, provides greater opportunities to cooperate.

Another way in which the penetrated hegemonic order provided reassurances to partners was in the way that it allowed participation of outsiders and an Atlantic policy-making process that facilitated compromise and agreement. This extension of the American democratic system outward to Europe is noted by John Lewis Gaddis: "Having attained their authority

¹²² This argument is made by Charles Maier, "Alliance and Autonomy: European Identity and U.S. Foreign Policy Objectives in the Truman Years," in Lacey, ed., *The Truman Presidency*, pp. 273-98.

¹²³ This argument is made in Daniel Deudney and G. John Ikenberry, "The Nature and Sources of Liberal International Order," *Review of International Studies*, Vol. 25 (Spring 1999), pp. 179-96.

through democratic processes, its [America's] leaders were experienced—as their counterparts in Moscow were not—in the arts of persuasion, negotiation and compromise. . . . [T]he habits of democracy had served the nation well during World War II: its strategists had assumed that their ideas would have to reflect the interests and capabilities of allies; it was also possible for allies to advance proposals of their own and have them taken seriously. That same pattern of mutual accommodation persisted after the war.¹²⁴ On an wide range of postwar issues—occupation zone management, the Greece and Turkey crisis, and responses to the 1947 economic crisis in Europe—the Europeans, particularly the British, were critical in shaping American policy. Despite the sharp inequalities in power, political influence flowed in both directions across the Atlantic.¹²⁵

The fragmented and penetrated American system allowed and invited the growth of a wide network of transnational and transgovernmental relations with Europe, Japan, and other parts of the world. The United States became the primary site for the pulling and hauling of trans-Atlantic and trans-Pacific politics.¹²⁶ Although this access to the American political process was not fully reciprocated abroad, the openness and democratic processes of the American political system assured other states that they would have routine access to the decision-making processes of the United States. Transnational processes—extensions of domestic democratic politics—were readily constructed that facilitated bargaining and compromise.

The negotiations between the United States and Britain over postwar economic arrangements during and just after the war are illustrative of the larger pattern. The United States had a diversity of bureaucratic groups that advanced positions on trade and monetary policy. British officials were able to maneuver around their conflicts with the State Department over postwar trade policy by finding more congenial partners at the Treasury Department. In the years that followed, an intensive set of transgovernmental negotiations took place that culminated in the Bretton Woods agreements. As indicated earlier, the British successfully moved the Ameri-

¹²⁴ Gaddis, *We Now Know*, p. 43.

¹²⁵ See David Reynolds, "Great Britain," in Reynolds, ed., *The Origins of the Cold War in Europe: International Perspectives* (New Haven: Yale University Press, 1994), pp. 80–83.

¹²⁶ For the transnational political process channeled through the Atlantic security institutions, see Thomas Risse-Kappen, *Cooperation among Democracies: The European Influence on U.S. Foreign Policy* (Princeton: Princeton University Press, 1995). On the consensual and reciprocal style of U.S.-European relations within NATO, see Lawrence S. Kaplan, *The United States and NATO: The Formative Years* (Lexington: University Press of Kentucky, 1984). On the U.S.-Japanese side, see Peter J. Katzenstein and Yutaka Tsujinaka, "'Bullying,' 'Buying,' and 'Binding': U.S.-Japanese Transnational Relations and Domestic Structures," in Risse-Kappen, ed., *Bringing Transnational Relations Back In: Non-State Actors, Domestic Structures, and International Institutions* (Cambridge: Cambridge University Press, 1997) pp. 79–111.

can position on postwar economic order toward the embrace of a more managed open system that provided governments with tools for economic stabilization and expansionary options for macroeconomic imbalances.¹²⁷ The multiple governmental access points and decentralized character of American governmental decision making allowed the British to play a more influential role than might otherwise be possible in a more unitary and closed system.¹²⁸

Taken together, the acceptability of American hegemony was facilitated by the ability of the Europeans and Japanese to maneuver within it. The British found this to be so, as Charles Maier notes: "Within the American 'hegemony' Britain preserved as much of her Commonwealth position, her shielding of her balance of payments, as possible. She also played what might be termed the 'Polybian' strategy, attempting to become the Greeks to America's Roman empire, wagering on the 'special relationship' to prolong their influence and status."¹²⁹ But in various ways, America's other partners could also find special avenues of access and convenience in the postwar order that made American power more useful and predictable. America's partners faced a leading postwar state that was relatively open and accessible. This allowed them to calculate that they would not be dominated and, indeed, that they could better achieve their interests by participating in the postwar order than resisting it.

Binding Institutions

Restraint and reassurance were also established through postwar institutions themselves, which together locked in open, multilateral policy orientations and bound the major Western states together. United States and Europe each attempted to lock the other party into specific postwar institutional commitments. They accomplished this in part by agreeing in turn to operate within those institutions as well, even if sometimes reluctantly. Governments ordinarily seek to preserve their options, to cooperate with other states but to leave open the option of disengaging. What the United

¹²⁷ The role of transgovernmental experts and coalitions in the formation of the Bretton Woods agreements is detailed in G. John Ikenberry, "A World Economy Restored: Expert Consensus and the Anglo-American Post-War Settlement," *International Organization*, Vol. 46 (Winter 1991/92), pp. 289–321.

¹²⁸ Open and decentralized American political institutions provided opportunities for allies and other states to influence the shape and direction, at least to some extent. Geir Lundestad argues: "Often they did this was success, and although the basic decision tended to reflect America's own concerns, the foreigners could, as a minimum, influence the scope and timing of the decision." Lundestad, *The American "Empire,"* p. 56.

¹²⁹ Maier, "Supranational Concepts and National Continuity in the Framework of the Marshall Plan," p. 34. See also Gaddis, *We Now Know*, chapter two.

States and the other Western states did after the war was exactly the opposite: they built long-term economic, political, and security commitments that were difficult to retract. The emerging Cold War provided an impetus for the most formal and elaborate binding

The most complex and consequential binding institutions were security alliances. These aggregated power to counter the threat of Soviet communism, but they were also institutions that were intended to stabilize and manage power relations among the partner states. The NATO alliance provided a mechanism for the rehabilitation and reintegration of western Germany, an instrument of what has been called "dual containment."¹³⁰ But it also locked in America's reluctant security commitment to Europe and tied the European states together, reinforcing their movement toward regional integration. In this way, the NATO alliance operated along with other postwar institutions as a multifaceted instrument of "quadruple containment."

The most consistent British and French objective during and after the war was to bind the United States to Europe. The evolution in American policy, from the goal of a European "third force" to acceptance of an ongoing security commitment within NATO, was a story of American reluctance and European persistence. The European search for an American security tie was not simply a response to the rise of the Soviet threat. As early as 1943, Winston Churchill proposed a "Supreme World Council" (composed of the United States, Britain, Russia, and perhaps China) and regional councils for Europe, the Western Hemisphere, and the Pacific. In an attempt to institutionalize an American link to Europe, Churchill suggested that the United States would be represented in the European Regional Council, in addition to its role in its own hemisphere. Reflecting American ambivalence about a postwar commitment to Europe, one historian notes, "Roosevelt feared Churchill's council as a device for tying the United States down in Europe."¹³¹

During and after the war, Britain and France sought to bind the United States to Europe in order to make American power more predictable, accessible, and usable. The NATO alliance was particularly useful as an institution that made the exercise of American power more certain and less arbitrary. Despite the vast differences in the size and military power of the various alliance partners, NATO enshrined the principles of equality of

¹³⁰ For a discussion of "dual containment," see Schwartz, *America's Germany*. Wolfram P. Hanrieder has also referred to American policy in this period as "double containment: the containment of the Soviet Union at arm's length, and of West Germany with an embrace." *Germany, America, Europe: Forty Years of German Foreign Policy* (New Haven: Yale University Press, 1989), p. 6.

¹³¹ Harper, *American Visions of Europe*, p. 96.

status, nondiscrimination, and multilateralism.¹³² The United States was the clear leader of NATO. But the mutual understandings and institutional mechanisms of the alliance would reduce the implications of these asymmetries of power in its actual operation.

The security alliance also served to reduce European fears of resurgent and unbridled German military power. The strategy of tying Germany to Western Europe was consistently championed by George Kennan. "In the long run there can be only three possibilities for the future of western and central Europe. One is German domination. Another is Russian domination. The third is a federated Europe, into which the parts of Germany are absorbed but in which the influence of the other countries is sufficient to hold Germany in her place. If there is no real European federation and if Germany is restored as a strong and independent country, we must expect another attempt at German domination."¹³³ Two years later, Kennan was again arguing that "without federation there is no adequate framework within which adequately to handle the German problem."¹³⁴

The idea was to rebuild Germany's economic and military capabilities within European and Atlantic institutions. This binding strategy was widely embraced at the time by American officials. Secretary of State Marshall made the point in early 1948: "Unless Western Germany during coming year is effectively associated with Western European nations, first through economic arrangements, and ultimately perhaps in some political way, there is a real danger that whole of Germany will be drawn into the eastern orbit with dire consequences for all of us."¹³⁵ When Secretary of State Dean Acheson went to the Senate to answer questions about the NATO treaty, Senator Claude Pepper posed the question: "The Atlantic Treaty has given these Western European nations some confidence against a resurgent Germany as well as Russia?" Acheson replied: "Yes. It works in all directions."¹³⁶ As Cold War tensions made western German rearmament increasingly necessary, the elaborateness of alliance restraints on German power also grew, reflected in the complicated negotiations over an inte-

¹³² See Weber, "Shaping the Postwar Balance of Power: Multilateralism in NATO."

¹³³ "Report of the Policy Planning Staff," 24 February 1948, *Foreign Relations of the United States*, 1948, Vol. 1, Part 2, p. 515. For a discussion of Kennan's thinking, see Harper, *American Visions of Europe*, chapter five.

¹³⁴ "Minutes of the Seventh Meeting of the Policy Planning Staff," 24 January 1950, *Foreign Relations of the United States*, 1950, Vol. 3, p. 620.

¹³⁵ "Minutes of the Sixth Meeting of the United States-United Kingdom-Canada Security Conversations, Held at Washington," 1 April 1948, *Foreign Relations of the United States*, 1948, Vol. 3, p. 71.

¹³⁶ Quoted in Lloyd C. Gardner, *A Covenant with Power: American and World Order from Wilson to Reagan* (New York: Oxford University Press, 1984), p. 100.

grated military command and the legal agreements that accompanied the restoration of German sovereignty.¹³⁷

If NATO bound both western Germany and the United States to Europe, it also reinforced British and French commitment to an open and united Europe. The United States was intent not only on the rehabilitation and reintegration of Germany; it also wanted to reorient Europe itself. In an echo of Wilson's critique of the "old politics" of Europe after World War I, American officials after 1945 emphasized the need for reform of nationalist and imperialist tendencies. It was generally thought that the best way to do so was to encourage integration.¹³⁸ Regional integration would not only make Germany safe for Europe, it would also make Europe safe for the world. The Marshall Plan reflected this American thinking, as did Truman administration support for the Brussels Pact, the European Defense Community, and the Schuman Plan. In the negotiations over the NATO treaty in 1948, American officials made clear to the Europeans that a security commitment hinged on European movement toward integration. One State Department official remarked that the United States would not "rebuild a fire-trap."¹³⁹ The American goal was, as Dean Acheson put it in reference to the EDC, "to reverse incipient divisive nationalist trends on the continent."¹⁴⁰ American congressional support for the Marshall Plan was also premised, at least in part, on not just transferring American dollars to Europe but also on encouraging integrative political institutions and habits.¹⁴¹

¹³⁷ The objective of binding the allies together through an integrated NATO military organization was acknowledged—and celebrated—by Secretary of State John Foster Dulles in a statement to the North Atlantic Council in 1953: "Fourteen nations have here found the habit of working together. Our Annual Review is an institution which is unique in the history of alliances. Never before in peacetime have sovereign nations opened the top secret documents of their ministries of defence to the scrutiny of other countries, no matter how closely they were allied. Never before have nations taken recommendations from an international body concerning the length of military service, balance of forces between military services and other equally delicate problems, and, what is even more revolutionary, accepted these recommendations, often in the face of contrary domestic political consultations. . . . Again we are breaking new ground by the creation of a group of public servants who owe their allegiance not to any one of our fourteen member countries but to all of us collectively." "Statement by the Secretary of State to the North Atlantic Council," *Foreign Relations of the United States, 1952-1954*, Vol. 5, pp. 464-65.

¹³⁸ See Harper, *American Visions of Europe*; and Hogan, *The Marshall Plan*.

¹³⁹ "Minutes of the Fourth Meeting of the Washington Exploratory Talks on Security," 8 July 1948, *Foreign Relations of the United States, 1948*, Vol. 3, pp. 163-69.

¹⁴⁰ "The Secretary of State to the Embassy in France," 19 October 1949, *Foreign Relations of the United States, 1949*, Vol. 4, p. 471.

¹⁴¹ See Beugel, *From Marshall Plan to Atlantic Partnership*; and Geir Lundestad, "Empire" by Integration: *The United States and European Integration, 1945-1997* (New York: Oxford University Press, 1998).

When Marshall Plan aid was provided to Europe, beginning in 1948, the American government insisted that the Europeans themselves organize to jointly allocate the funds. This gave rise to the Organization for European Economic Cooperation (OEEC), which was the institutional forerunner of the European Community.¹⁴² This body eventually became responsible for European-wide supervision of economic reconstruction, and it began to involve the Europeans in discussion of joint economic management. As one American official recalls, the OEEC "instituted one of the major innovations of postwar international cooperation, the systematic country review, in which the responsible national authorities are cross-examined by a group of their peers together with a high-quality international staff. In those reviews, questions are raised which in prewar days would have been considered a gross and unacceptable foreign interference in domestic affairs."¹⁴³ The United States encouraged European integration as a bulwark against intra-European conflict even as it somewhat more reluctantly agreed to institutionalize its own security commitment to Europe.

The various elements of the settlement among the Atlantic countries fit together. The Marshall Plan and NATO were part of a larger institutional package. As Lloyd Gardner argues: "Each formed part of a whole. Together they were designed to 'mold the military character' of the Atlantic nations, prevent the balkanization of European defense systems, create an internal market large enough to sustain capitalism in Western Europe, and lock in Germany on the Western side of the Iron Curtain."¹⁴⁴ NATO was a security alliance, but it was also embraced as a device to help organize political and economic relations within the Atlantic area. As Mary Hampton argues, the Atlantic alliance was championed by those concerned with a Western balance against Soviet power but also but those who were seeking the "construction of a trans-Atlantic community of nations."¹⁴⁵ American officials were looking for ways to find a solution to the Franco-German antagonism that had fueled three great wars in less than a century. These impulses toward the reintegration of Germany and the political and economic unification of Western Europe shaped America's postwar goals in Europe and ultimately helped push the United States toward accepting the NATO commitment. As John Foster Dulles stated, the main emphasis of the At-

¹⁴² The OEEC was launched on 5 June 1948. See Michael Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-52* (New York: Cambridge University Press, 1987).

¹⁴³ Remarks by Amb. Lincoln Gordon in, David Ellwood, ed., *The Marshall Plan Forty Years After: Lessons for the International System Today* (Bologna: Bologna Center of the John Hopkins University, School of Advances International Studies, 1988), pp. 48-49.

¹⁴⁴ Gardner, *A Covenant with Power*, p. 81.

¹⁴⁵ Hampton, "NATO at the Creation," p. 611. See also Hampton, *The Wilsonian Impulse*.

lantic alliance was "on cooperation *for* something rather than merely *against* something."¹⁴⁶

American strategic restraint after the war left the Europeans more worried about abandonment than domination, and they actively sought American institutionalized commitments to Europe. The American polity's transparency and permeability fostered an "extended" political order that reached outward to the other industrial democracies. Multiple layers of economic, political, and security institutions bound these countries together, reinforcing the credibility of their mutual commitments. The dramatic asymmetries of postwar power were rendered more acceptable as a result.

CONCLUSION

The order created after World War II among the advanced industrial countries was distinctive and unprecedented. More than the early postwar orders, it had—and continues to have—constitutional characteristics. The Western industrial order was characterized by multilayered institutions and alliances, open and penetrated domestic orders, and reciprocal and largely legitimate mechanisms for dispute resolution and joint decision making. It was marked by wide disparities in power—after the war, the United States stood in an unparalleled superordinate position in relation to Europe and Japan. But despite these power differentials, a mutually agreeable order was devised after the war and is still largely in place today.

Several specific arguments emerge from the record of post-World War II order building. First, the United States did seek to use its position as the leading postwar state to lock the other industrial powers into a particular type of international order organized around economic and political openness. These ideas, articulated first in the Atlantic Charter, remained in play even as the specific circumstances of order building changed unexpectedly in the years that followed. It would not be a world of closed blocs, national capitalism, or rival imperial orders. What changed with the rise of the Cold War were the shrinkage in the amount of the world that would be organized according to this logic and the types of institutional strategies that were pursued in order to secure such an order.

Second, America's broad postwar goals predated the rise of the Cold War and drew upon a wide array of complementary ideas about political, economic, and security order. State Department officials who advanced notions of an open world economy were reinforced by defense planners who linked American security interests to market and resource access to Asian and European regions. State Department planners, such as George

Kennan, who were primarily concerned with rebuilding the economic and political infrastructure of Western Europe made common cause with other officials who were concerned with encouraging the emergence of continental European governments committed to an open and integrated Western order. This convergence on liberal democratic order was facilitated by the reluctance of the Truman administration to pursue more far-reaching options such as simple free trade or world government. An institutionalized and managed Western order that centered on openness and democracy was an appealing objective for some, and an indispensable means to an end for others. What the United States sought to lock in after 1945 was more ambitious and multifaceted than any goals after 1815 or even 1919. The persistence of this agenda was reinforced by the diversity of policy advocates who differed on many matters but by and large converged on the importance of open and multilateral relations among the major industrial democracies.

Third, the United States pursued these goals by agreeing to lock itself in to a highly institutionalized postwar order. In a sense, the United States "purchased" European agreement by conceding more favorable terms to them, agreeing to a massive aid program, and reluctantly accepting binding security guarantees. The evolution of American policy on postwar trade and monetary arrangements reflects this willingness to compromise to get European acquiescence, giving a better deal in the short run in order to get an institutional settlement that secured America's long-term interests. The Marshall Plan aid was even more explicit in this sort of trade-off: the United States transferred massive financial resources to Europe but with specific understandings that the European states would move toward greater political and economic unification. The American security commitments that followed—in 1949 with the NATO treaty and the later intensification of security ties—were also reluctantly extended in exchange for European commitments to greater regional security cooperation and a willingness to reintegrate and rearm western Germany.

Fourth, the political organization of postwar relations among the industrial democracies was driven by this process of mutual and reciprocal binding. The United States consistently sought to remain as unencumbered as possible after the war. This goal helps explain the appeal of the State Department's free-trade agenda and the later ideas of a European "third force." At the same time, American officials pursued a remarkably sophisticated agenda aimed at binding the Europeans together and tying western Germany into a more unified and integrated Europe. At first this agenda was driven by the demands of postwar economic renewal and the need for some solution to the German problem, imperatives that existed independently of the worsening of relations with the Soviet Union—although the Cold War did raise the stakes and sped the process. But at each stage in

¹⁴⁶ Quoted in Hampton, "NATO at the Creation," p. 625.

this process, European officials insisted that the binding together of Europe was only acceptable if the United States itself made binding commitments to them, as well. At each stage, the United States conceded only as much commitment as was needed to keep the Europeans on their path toward integration and reconstruction. Restraint, reassurance, and commitment were the price the United States had to pay in order to achieve its order-building goals in Europe and more widely.

The Europeans engaged in a similar trade-off: they agreed to steps toward European integration and accepted western Germany back into Europe, in part because in exchange they got a more institutionally restrained and connected postwar America. As suggested in the model of constitutional order building, the weaker and secondary states locked themselves in to a postwar order, but in return they received a favorable short-term return on their power and secured—at least to some extent—institutional arrangements that made the leading state more predictable, restrained, and accessible. The full measure of this binding of American power to Europe occurred relatively late after the war—only after 1950 and in response to a heightening of the Soviet threat—with the integration of NATO forces and the permanent stationing of American troops in Europe. This institutionalization of Atlantic security relations provided reassurances to Europe by making the exercise of American power more certain and predictable and by creating voice opportunity mechanisms.

Fifth, the institutional strategies that were employed after the war were critical in giving shape to the order among the industrial democracies and overcoming the insecurities otherwise inherent in highly asymmetrical power relations. The rise of the Soviet Union reinforced Western solidarity, but that solidarity was imagined and acted upon before Cold War hostilities broke out. Indeed, the shifts in thinking among American postwar planners—from the weakly institutionalized free-trade vision to the hands-on and managed Western economic, political, and security system—was driven more by the growing perception of European weakness after 1945 than by the threat of Soviet power.¹⁴⁷ In a meeting of American ambassadors in Paris in the summer of 1949, John J. McCloy, the high commissioner for Germany, argued that perhaps too much emphasis had been given to “the increase of Russian power in the world and too little thought to the enormously important factor that is the collapse of the British Empire.”¹⁴⁸ The postwar relations among the Western countries were im-

¹⁴⁷ This is a theme in Leffler, “The American Conception of National Security and the Beginning of the Cold War, 1945–48,” and Leffler, *A Preponderance of Power*.

¹⁴⁸ “Summary Record of a Meeting of United States Ambassadors at Paris,” 21–22 October 1949, *Foreign Relations of the United States*, 1949, Vol. 4, p. 485.

portantly driven by efforts to solve their common problems and create safety nets in the service of an open and stable order.

Sixth, the goals behind Western liberal order were partly shaped by the manifold lessons and experiences that stimulated these ideas. It is sometimes argued that what differentiated the “successful” settlement after 1945 from the “unsuccessful” settlement after 1919 is that it was based on more “realist” understandings of power and order. Roosevelt, for example, was sensitive to considerations of power. His notion of the “Four Policemen” was a self-conscious effort to build a postwar settlement around a great-power collective security organization.¹⁴⁹ But the actual postwar settlement reflected a more mixed set of lessons and calculations. “Realist” lessons from the League of Nations debacle of the 1920s were combined with “liberal” lessons from the regional imperialism and mercantilist conflict of the 1930s. The United States did show more willingness to use its military victory and occupation after 1945 to implement its postwar aims in Germany and Japan. But those aims, nonetheless, were manifestly liberal in character.

Finally, there was an explicit presumption among American and European officials that binding postwar institutions—NATO in particular, but the other multilateral institutions as well—would only operate effectively to provide restraints and assurances if the participating states were democratic. British Foreign Minister Bevin’s appeal to Secretary of State Marshall in December 1948, that the Atlantic countries should act to create a “spiritual federation of the west,” implied that it was the commonality of democracy that ultimately was the basis for security cooperation. Later, when the allies deliberated over the manner in which western Germany would be integrated into the West, John McCloy argued that Germany would need to be a “willing participant” and eventually a “full partner” with the other countries in the emerging “concert of democratic powers.”¹⁵⁰ A democratic Germany would be necessary to ensure its full participation in a noncoercive and legitimate Western order. Likewise, when Germany negotiated the return of its sovereignty in 1954, it had an incentive to embrace its new democratic institutions—recognizing that the western allies could only be relied upon to defend Germany if it embraced democratic values.¹⁵¹ Democracy was both an end and a means. Western officials justi-

¹⁴⁹ Architects of the United Nations reflected this concern for power realities in their plans for permanent Great Power membership in the Security Council. For a discussion of FDR’s “realist” departures from Wilsonian internationalism, see Dallek, *Franklin D. Roosevelt and American Foreign Policy, 1932–1945*; and Robert A. Divine, *Second Chance: The Triumph of Internationalism in America during World War II* (New York: Atheneum, 1967).

¹⁵⁰ Quoted in Trachtenberg, *A Constructed Peace*, p. 106.

¹⁵¹ *Ibid.*, p. 144.

fied the unprecedented degree of institutional cooperation and integration as necessary, in the words of John Foster Dulles, to "safeguard the freedom, common heritage and civilization of our people," but it was precisely because these countries were democratic that their governments could make these binding commitments.¹⁵²

In these various ways, the huge asymmetries of power were rendered acceptable to America's partners, both because of the binding institutions that were employed and because of the structural features of the American polity. American officials went out of their way to reassure postwar partners and to cultivate a sense of legitimacy in the alliance and economic institutions they were creating. But in a larger sense, the United States was "doomed to reassure." Even if it did not actively seek to find agreement of mutually acceptable postwar rules and institutions, the operation of a large, pluralistic, and penetrated polity tended to produce those same results. The open system facilitated the collaborative search by American and British economists to find a Keynesian "middle ground" in the postwar economic order. The open American polity created opportunities for allies to lobby actively and engage American officials and influence the policy process. The institutions and alliances that were created were rendered more credible because they were based on treaties ratified by a democratic state, which means that they were commitments that would be difficult to overturn. If the United States would have been as powerful as it was after 1945, but not a democracy willing to employ a range of international institutions to bind itself to other states, it is difficult to envision its postwar partners willingly buying into such a postwar order.

¹⁵² "Statement of the Secretary of State to the North Atlantic Council," *Foreign Relations of the United States*, 1952–54, Vol. 5, p. 461.

Chapter Seven

AFTER THE COLD WAR

THE END of the Cold War has evoked comparisons with 1815, 1919, and 1945. The fall of the Berlin Wall in 1989 and the collapse of the Soviet Union two years later brought to a sudden end four decades of superpower conflict. The old bipolar international order disappeared, and a new distribution of power took shape. The United States and its allies claimed victory, while the Soviet Union and its allies either slipped into oblivion or political and economic disarray. In the search for historical comparisons and lessons, scholars have good reasons to look back at earlier postwar settlements.¹

But the end of the Cold War was also different. The destruction of societies and political regimes resulted from the collapse of the Soviet empire and not from the violence of war. Armies did not march across borders and occupy territory. In the years that followed in the end of the Cold War, more than a few Russians remarked—only half jokingly—that reform and reconstruction in the former Soviet Union would have been more successful if Russia had actually been invaded and defeated by the West; the United States and its allies might have been more generous in extending assistance. The Cold War ended "not with military victory, demobilization, and celebration but with the unexpected capitulation of the other side without a shot being fired."²

Only part of the post-World War II order—the bipolar order—was destroyed by the dramatic events of 1989–1991. The order among the democratic industrial powers was still intact. Indeed, many American and European observers were quick to argue that the Soviet collapse amounted to a triumph of Western institutions and policies. After past great wars, the old

¹ For discussions of the end of the Cold War as a postwar juncture, see K. J. Holsti, "The Post-Cold War 'Settlement' in Comparative Perspective," in Douglas T. Stuart and Stephen F. Szabo, eds., *Discord and Collaboration in a New Europe: Essays in Honor of Arnold Wolfers* (Washington, D.C.: Foreign Policy Institute, Johns Hopkins University, 1994), pp. 37–69; John Gerard Ruggie, "Third Try at World Order? America and Multilateralism after the Cold War," *Political Science Quarterly*, Vol. 109, No. 4 (1994), pp. 553–70; Ronald Steel, "Prologue: 1919–1945–1989," in Manfred F. Boemeke, Gerald D. Feldman, and Elisabeth Glaser, eds., *The Treaty of Versailles: A Reassessment after 75 Years* (New York: Cambridge University Press, 1998), pp. 21–34; and John Lewis Gaddis, "History, Grand Strategy and NATO Enlargement," *Survival*, Vol. 40, No. 1 (Spring 1998), pp. 145–51.

² Robert Hutchings, *American Diplomacy and the End of the Cold War: An Insider's Account of U.S. Policy in Europe, 1989–1992* (Baltimore: Johns Hopkins University Press, 1997), p. 343.