

**THE IMPOSSIBLE PARTNERSHIP?
PREMISES AND REASONS OF THE FAILURE OF THE ATLANTIC DECLARATION**

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ABSTRACT

During the Cold War, the most important attempt to carry the concept of transatlantic unity into effect was proposal of the Atlantic Declaration in 1973. The objective of this article is to present the origins and the breakdown of this plan. As the most serious transatlantic divergences concerned the economy, it can be stated that the idea aimed at regulation of trade and monetary issues according to American interest. The Europeans were reluctant to sign the document, which joined economic matters with the political and defence aspects of cooperation. The fiasco of the Atlantic Declaration was a proof of decline of the US hegemony.

Key words: concepts of transatlantic cooperation, Atlantic Declaration, transatlantic divergences in the 1970s, trade and monetary issues, decline of the US hegemony

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ÚVOD

Since the late 1960s, serious divergences have appeared inside the Atlantic Alliance. The most of them were caused by two issues. First, the Europeans lost much of their previous confidence in the value of American leadership. They accused the United States of unilateralism and they were prepared to conduct more independent foreign policy. The second factor was the economic situation the US and Western European countries, combined with changes in the world economy, which led to serious disagreement (especially concerning trade and monetary issues). The main purpose of the present article is to analyze the economic background of the proposal of the Atlantic Declaration, announced by Henry Kissinger in 1973. The reasons of the collapse of this initiative as well as its impact on transatlantic relations will be also presented.

1 The Main Concepts of the Institutionalization of Transatlantic Relations

After the Second World War, the United States engaged to a large extent in promoting the integration of Western Europe. Maintaining the peace on the Old Continent, cooperation in the containment of Soviet influence, and assurance of export markets for American goods were the main interests underlying this policy. They overshadowed fears of possible future rivalry between the United States and a reconstructed Europe.¹ In a speech delivered in June 1947 at Harvard University, George Marshall, Secretary of State during the Truman administration, called on all European countries for effective cooperation and declared American readiness to help in the reconstruction of their economies.² Initially, the American strategy did not assume long-term support for Europe. It planned to encourage the countries to move toward political and economic integration, to form a 'third power', able to fight off Russian pressure, and to

¹ GROSSER, A.: *Les Occidentaux, Les pays d'Europe et les États-Unis depuis la guerre*, Paris, Fayard, 1978, p.157.

² HARRYVAN, A. G. – VAN DER HARST, J. eds.: *Documents on European Union*, Houndmills, Palgrave Macmillan, p. 45.

cooperate with the U.S., without becoming completely dependent on American engagement.³ However, increasing Cold War tensions convinced the American administration that economic support was not enough. In April 1949, twelve countries signed the North Atlantic Treaty Organization (NATO) Pact. The originator was the United States, which, through the pact, declared itself ready to take over responsibility for the security of Western Europe. The costs of maintaining the political and economic system of the Western world seemed bearable to the U.S., assuming that this hegemony would be profitable in the long run. It was a real revolution in U.S. foreign policy after years of isolationism. But still ideas of even closer cooperation of the United States and Western Europe emerged, and many advocated the necessity of creating additional structures.

The most characteristic trend was called 'Atlanticism'. Initially, this was understood to mean the special relationship between the U.S. and Great Britain, but later came to mean near cooperation within the framework of NATO. However, the most common, and broadest, meaning of Atlanticism was the perception of Europe as a part of 'the West', as a cultural, political, military and economic entity. The basic idea of the concept is the assumption of the dependence of Europe on its alliance with the United States. According to advocates of this perspective, only a close partnership would let the powers of the Old Continent engage in world politics. It was believed that this engagement could not be achieved other than through establishing international organizations and security pacts or agreements, because only in this way could the natural aggressiveness and tendencies to rivalry among the nation states be stifled. That was why Europe could not function alone, but only as the part of a larger system. On this basis, three conceptions of Atlanticism were formed, and came to be known as federal union, confederation and partnership.⁴

The first proposal of a transatlantic federal union was that made by Clarence Streit in his book *Union Now. A Proposal for a Federal Union of the Democracies of the North Atlantic*, published in 1939. He stated that the ineffectiveness of the League of Nations was caused by mismanagement; specifically, the lack of central authorities, which could have acted in the name of all the member countries. He claimed that the lack of political and economic coordination resulted in an inability to prevent the Second World War. According to Streit, the only way to avoid conflicts in the future was to establish the Union of Atlantic Nations, consisting of representatives of Europe and the United States. He noted the difficulties that might occur, such as the reluctance of member nations to defend other countries, especially those far away from their borders: 'There is basic difference between a league which expects Americans, for example, to cross the sea to defend France while the French remain free to carry on whatever foreign policy they desire, and our Union where every American, Frenchman, Englishman, Dutchman, — where every citizen would have an equal voice in determining the Union's foreign policy, where there would be no French or American or British or Dutch territory or policy to defend but only the Union's'.⁵

He also opined that settlement of economic cooperation could be the most difficult task, due to the fact that production and trade were not coordinated by a state's authorities, but were owned by individuals and corporations. On the other hand, the inclinations of the governments to make production and trade into tools of pressure on other countries could also be destructive for transatlantic cooperation. In Streit's view, economic relations were particularly divisive, so he claimed that 'economic disarmament' was absolutely necessary. It

³ TRACHTENBERG, M.: *A Constructed Peace. The Making of the European Settlement 1945-1963*, New Jersey, Princeton University Press, 1999, pp.56-62.

⁴ TREANOR, P.: *Europe? Which Europe? Which Future Europe?*
<<http://web.inter.nl.net/users/Paul.Treanor/which.europe.html>>.

⁵ STREIT, C.: *Union Now. A Proposal for a Federal Union of the Democracies of the North Atlantic*, New York, Harper & Brothers Publishers, 1939, p. 144.

could be reached only in the framework of the Union, because simply eliminating the trade barriers could not guarantee that the government would not break the rules in the name of defense of the national interest. Further, he believed a similar situation occurs in case of the monetary questions because a national currency could also become a weapon against other nations.' (...) Depreciation like rain falls alike on rich and poor', and destroys confidence in international relations, because the governments manipulate the currency to stimulate exports. This leads to deflation and fruitless debates on whether it is better to reduce the tariffs first, and later establish monetary stabilization, or to act conversely. According to the author, that problem could not be solved as long as the richest democracies cared only about their national interests. That is why those questions should be coordinated by one Union's government. This entity, with crushing domination in the world economy, would have one budget, one gold reserve and one currency that would be used all over the world. It would contribute to stabilization of the global economy and facilitation of trade relations.⁶ Briefly speaking, such a Union would become the hegemon which would not use its power to dominate and to take unfair advantage of other nations, but only to encourage peaceful cooperation. It would lead in the end to diminishing or even eliminating the threat of global conflict. This idea may seem quite utopian, but one should keep it in mind that the tragedy of WWII and the awareness that the League of Nation failed to prevent it made people consider bolder and further-reaching initiatives.

After WWII this concept gained the interest of the U.S. State Department, but it did not arouse enthusiasm in the European countries, which were afraid of subordination to their stronger ally. This paved the way to an alternative proposal – 'Europeanism' – that assumed the strong integration of Europe should precede establishing compact collaboration with the United States.⁷ The United States has maintained diplomatic relations with the institutions of European integration since 1953, when the first U.S. Observers to the European Defense Community and the European Coal and Steel Community were nominated. In 1961, the U.S. Mission to the European Communities was established. Meanwhile, in 1954, Europeans set up their delegation in Washington.⁸

The concept of an Atlantic Confederation was based on the idea of the necessity of giving up a part of a nation's sovereignty in certain domains for the common good. The confederation was to consist of the NATO member countries. In these states, many organizations were founded aimed at convincing the public that it was vital to create an institution strengthening the common defense. These associations were formally united in 1954 and formed one organization called the Atlantic Treaty Association. In 1961, in the United States, former secretaries of state Dean Acheson and Christian Herter initiated consolidation of the groups supporting the Atlantic alliance and founded the Atlantic Council of the United States. This still extant organization aspired to promote the leadership of the United States, based on Atlantic unity, in creating international relations. In the 1960s, the Council issued many statements on public perception of the alliance, and was active in promoting its endeavors in TV programs, articles and brochures. The first book published by the Council was entitled 'Building the American – European Market: Planning for the 1970s'.⁹ The predominant influence of economic cooperation on the other aspects of transatlantic relations was acknowledged.

⁶ Ibid., 145-46; 219-40.

⁷ PFALTZGRAFF, D.: The Atlantic Community – A Conceptual History. In *Atlantic Community in Crisis. A Redefinition of the Transatlantic Relations*, New York, Pergamon Press, 1979), p. 4.

⁸ 'Landmarks in EU-US Cooperation', European Union Delegation to the United States of America, <<http://eurunion.org/eu>>.

⁹ Atlantic Council of the United States, Atlantic Council, <<http://www.acus.org/about/history>>.

In January 1962, in Paris, the NATO Parliamentary Conference issued a declaration that efforts should be made to create real Atlantic unity, with nations cooperating, not only on military matters, but also 'on political, moral and cultural fields'. Participants previewed the institutionalization of the initiative in the form of the 'Supreme Council'. The most determined antagonist of this plan was the president of France – Charles de Gaulle. His objection persisted in the French policy maintained by his successors. But in other European countries there were many advocates of the primacy of the integration of 'European Europe' and a lot of mistrust about the real intentions of the United States as well.¹⁰

The third concept of cooperation between the United States and Europe was 'Atlantic Partnership'. Its main assumption was that a united Europe should coordinate its activities with the U.S. It concerned mainly foreign policy in its two interdependent aspects: political and economic. A need to institutionalize the partnership was noticed when divergences in the alliance arose and its cohesion was threatened. The motto of Atlantic Partnership - 'two pillars – one aim' - was supposed to convince the Europeans that harmonization of action on the international stage would be more efficient for each country. However, the structure of cooperation would be based on bilateral consultations between the USA and the European Community, not multilateral discussions among governments or in the forum of the newly-created organization. So, the main obstacle to fulfillment of this idea was the lack of a common European foreign policy.¹¹

The first important proposal grounded on this concept was President John F. Kennedy's plan to establish the Atlantic Community to facilitate the political and economic dimensions of cooperation between the U.S. and Western Europe. In his speech delivered in Philadelphia on July 4, 1962, the President confirmed his support for a strong and united Europe. He expressed his hope for cooperation in the liberalization of trade and in resolving the monetary problems, and proposed the coordination of American and European economic policies. Kennedy claimed that only a united Europe could play an important role in world politics. He was aware that the process of integration would not come soon, but toward this end, he proposed the 'Grand Design for Europe' – the Atlantic Community. This phase in the development of cooperation between the U.S. and Western Europe, according to Kennedy, should be 'outward-looking (...) with a strong American connection'.¹² It seems clear that Kennedy mainly aimed at establishing economic cooperation as he did not regard the European Community as an important political player in the world affairs.

2 Transatlantic Divergences at the Beginning of the 1970s

During the 1960s and 1970s, after the immediate post-WWII era of prosperity, the U.S. experienced economic difficulties. The sources of disagreement between Western European countries and the US can be traced in their mutual economic relations. In the 1970s US experienced economic problems such as significant inflation and unemployment, deficit in the balance of payments¹³, and a deficit in foreign trade. An important factor was the crisis of the international monetary system established in 1944 in Bretton Woods. It seemed that the American economy was losing its competitiveness. The low interest rates in the US encouraged American investors to place their capital in Europe. This factor as well as the necessity of

¹⁰ PFALTZGRAFF, D.: *The Atlantic Community*, p.8.

¹¹ Ibid.

¹² KENNEDY, J.F.: *Address at Independence Hall, July 4, 1962*, In *The Public Papers of the Presidents of the United States, 1962*, Washington D.C., Government Printing Office, 1963, pp.537-539.

¹³ Balance of payments is a summary of all economic transactions with foreign countries (export and import of goods; services; capital and financial transfers).

maintaining large military forces in different parts of the world created a growing deficit of American balance of payments.¹⁴ This was connected with a serious political issue: a more and more common belief that the cause of such a situation was too large engagement in world affairs, not necessarily in accordance with American national interests. One of the issues perceived in this way was progressing European economic integration. In a period of flourishing economies in Western Europe, Americans kept questioning whether they were not paying too much for European security.¹⁵

Unfortunately, the negative influence of economic disputes on transatlantic relations appeared unavoidable. The protectionist mood could be observed in the Congress; it was the most anxious about the Common Agricultural Policy (CAP)¹⁶, as agricultural trade constituted a considerable part of its exports. Due to this policy, European products were cheaper and more attractive for importers¹⁷. Another issue that evoked negative emotions was related to the preferential trade agreements concluded by the EEC with Mediterranean, African, Middle Eastern and Latin American countries.¹⁸

Moreover, in this period of increasing protests against the American engagement in Vietnam War, anti-Americanism in European society reached its peak. Many Europeans called NATO the tool of the American protectorate, yet paradoxically, they had no will to emancipate themselves by strengthening their own military capacity.¹⁹ Also at this time there was a weakening sense of threat from the Soviet Union - the period of 'détente' in American-Soviet relations. This led to an escalation of disagreement in the Atlantic alliance. Difficulties in the relationship also arose from the European dependence on the U.S. for security. Western Europe had thus an unbearable sense of inferiority in relation to the U.S. This prompted European countries to compete economically with Americans since this was the field where they were able to demonstrate strength.

Another source of transatlantic disagreement was the lack of coordination of policy toward communist countries. Even though the United States remained the leader of the West on the international scene, Western European countries were determined to conduct more independent foreign policy. Willy Brandt, Minister of Foreign Affairs of West Germany (and, from October 21, 1969, the Chancellor), took significant steps to improve relations with the communist countries at the end of the 1960s. He claimed that, thanks to an opening to the East, West Germany would be able to care for its own interests. In Brandt's opinion, the U.S. was not carrying out this task properly, but aiming only to achieve its own interests. Henry Kissinger, Nixon's National Security Advisor, claimed the Europeans were susceptible to Soviet pressure and could destroy American plans.²⁰ Brandt's 'Ostpolitik' was a clear sign of a changing tendency in the policy of Western European countries. The Americans were apprehensive that by acting independently Brandt might make too many concessions to the Soviet Union.

¹⁴ BERGSTEN, F. C.: *Toward a New International Economic Order: Selected Papers of C. Fred Bergsten, 1972-1974*, Lexington, Lexington Books, 1975, p. 313.

¹⁵ ENTHOVEN, A. C. – SMITH, K. W.: What Forces for NATO? And From Whom? In *Foreign Affairs*, 1969, 48, p.80.

¹⁶ The main rules of the Common Agricultural Policy (CAP) EEC were formed in 1958 during the conference in Stresa. Its basic rules are: 1) free flow of agricultural products, 2) precedence of trading on EEC market, 3) bearing the costs of CAP by all member countries.

¹⁷ JOSLING, T.: Agricultural Policies and World Trade. In *Europe, America and the World Economy*, New York, Basil Blackwell, 1986, p.57.

¹⁸ CALLEO, D.: *The Imperious Economy*, Cambridge, Harvard University Press, 1982, p.122.

¹⁹ BELL, C.: *The Diplomacy of Detente. The Kissinger Era*, New York, St. Martin's Press, 1977, p.99.

²⁰ KISSINGER H.: *White House Years*, Boston, Little, Brown & Company, 1979, p.94.

Disagreement between the US and Western Europe also arose over the issue of West-East trade. For the American administration, this exchange should have been restricted as far as strategic products and long term credits were concerned, because they could be potentially used for the hostile purposes.²¹ The Europeans, however, claimed that closer economic relations could strengthen the process of détente. This difference was reflected in the size of the exchange: the value of the trade with the East for West Germany was about 2 billion USD in 1966, for the United Kingdom – 1 billion USD, and for the United States only 375 million USD.²² The US was anxious that the allies were too optimistic about the possibility of changing the Soviet system. According to the Americans, profitable economic relations with the East could also impend the cohesion of the Atlantic Alliance. Besides, it was evident that the US, by limiting its economic contacts with the East, was losing a big market.

President Richard Nixon, who took office on January 20, 1969, was aware of the gravity of the situation. He claimed that coordination of American and European foreign policy was indispensable for the success of 'détente'. In his presidential campaign, he criticized his predecessor, Lyndon B. Johnson, for disregarding NATO. He stated that the US had undertaken actions that could have influenced European security without consultation with the allies. He declared that the Americans should quit reproaching them and start to listen to them.²³ On February 18, 1970, in his *First Annual Report to the Congress on U.S. Foreign Policy*, the president stated that the Atlantic Alliance required reevaluation. He expressed the opinion that the re-established economic strength of Western Europe had been straining the Atlantic monetary system and the trade framework. He claimed that 'peace has an economic dimension' and the lack of cooperation could be dangerous in both political and economic terms.²⁴ . Quoting the words of British Prime Minister Harold Macmillan: 'alliances are kept together by fear not by love', Nixon argued for the necessity of its reevaluation. He noticed that 'most Europeans no longer fear the threat from the East' and he was convinced of the deceptiveness of such a belief. He saw the possibility of disintegration of Western unity and considered it a seductive objective for Soviet diplomacy.²⁵

Henry Kissinger was Nixon's national security adviser and main associate in the field of foreign affairs.²⁶ In spite of some differences between the two statesmen, he made a good team with Nixon. They both wanted to end engagement in the Vietnam War as it limited American leeway regarding global policy. They wanted to achieve this without undermining leadership in Europe and without strengthening isolationists in the US. Kissinger claimed that allies' independent and uncontrolled activity could be damaging to the American national interest.²⁷

²¹ SODARO, M. L.: US-Soviet Relations: Detente or Cold War. In *Economic Relations with the Soviet Union. American and West German Perspective*, Boulder, Westview Press, 1989, pp.15-27.

²² BURGESS, R. W. – HUNTLEY, J. R.: *Europe and America. The Next Ten Years*, New York, Walker and Company, 1970, p.157.

²³ KAPLAN, L. S.: *NATO and the United States. The Enduring Alliance*, New York: Twayne Publishers, p.112.

²⁴ NIXON, R.: First Annual Report to the Congress on United States Foreign Policy for the 1970s., Feb. 18, 1970, In *The Public Papers of the Presidents of the United States, 1970*, Washington D.C., Government Printing Office 1971, pp.116-89.

²⁵ NIXON, R.: Address by Richard M. Nixon to the Bohemian Club, San Francisco, July 29, 1967, In *Foreign Relations of the United States 1969-1976*, vol. 1, Washington D.C., Government Printing Office, 2003, pp.32-39.

²⁶ RAOUL-DUVAL, M.: Foreign Policy and the Bureaucracy. In *Portraits of American Presidents*, vol. 6, Lanham, University of Virginia, 1987, p.285.

²⁷ KAPLAN, L.S.: *NATO and the United States*, p.110.

Kissinger shared Nixon's opinion on the role of the Atlantic Alliance, the reason for its disintegration and the inevitability of its reorganization. In his book published in 1966, *The Troubled Partnership: A Re-appraisal of the Atlantic Alliance*, he expressed his main postulate concerning American relations with Europe: establishing equal partnership. He proposed specific measures to achieve this goal. First, he noted that American predominance in NATO established the situation in which Europeans took for granted American responsibility for their security. To change this, he proposed 'a penalty for no cooperation – that is, the possibility of being refused assistance' or confronting Europe 'with the prospect of eventual U.S. withdrawal'. Second, he wanted the European partners to take a greater role in planning and decision making in NATO. He kept calling for 'a common political conception' and claimed that 'it is not natural that the major decisions about the defense of an area so potentially powerful as Western Europe should be made three thousand miles away'. He claimed, however, in opposition to Nixon's view, that a united Europe lacked the vision of a common global policy, so it should rely on American conceptions instead of trying to jeopardize them.²⁸

Kissinger recognized the necessity of improving the process of consultation, and admitted that the US sometimes had acted too unilaterally in the past (e.g., imposing changes regarding NATO strategic doctrine) which caused the deterioration of mutual confidence. He simultaneously indicated, however, that the US was not obliged to follow its allies' advice – so consultation in end of itself was not enough to establish greater responsibility for Western European countries.²⁹

As the national security adviser maintained, only real European unity was the mean to establish a mature and responsible transatlantic partnership. Kissinger, however, was also skeptical about the excessive promotion of European economic integration. In his opinion, the price the US had to pay for it was the creation of a dangerous economic and political competitor.³⁰ According to Kissinger, fruitful cooperation could be established only on the basis of articulated common goals and evoking a sense of responsibility in Europe. In this way the allies could stymie Soviet attempts to divide the West. As elements of strengthening common interests, he mentioned closer cooperation on the military field, revitalizing the West European Union, and giving the post of Supreme Allied Commander to an European. Kissinger also considered the coordination of policy toward the communist bloc. He suggested Western Europe should be the leader of improving relations with the Eastern European countries, leaving the Soviet issue to US diplomacy. He claimed the Europeans were susceptible to Soviet pressure and could destroy American plans.³¹

Kissinger paid more attention to political and security dimensions of the alliance, while Nixon put economic issues first. It is important to notice that during the first years of the Nixon presidency the position of the Department of State was relatively weak in comparison with the 'economic' departments like Treasury, Trade or Agriculture. The State underlined that the political factor in the Atlantic Alliance should not be overshadowed by economic divergences. The other departments' view was distinct.

In January 1971 the president established a new entity — the Council on International Economic Affairs (CIEP). This act reflected the increasing importance of economic factors in foreign policy.³² CIEP's Director Peter Peterson issued a memorandum entitled *US in the*

²⁸ KISSINGER, H.: *The Troubled Partnership: A Re-appraisal of the Atlantic Alliance*, New York, Anchor Books, 1966.

²⁹ KISSINGER, H.: Central Issues of American Foreign Policy. In *American Foreign Policy: Three Essays*, New York, W.W. Norton & Company, 1969, pp.54-84.

³⁰ KISSINGER, H.: *The Troubled Partnership*, p.40.

³¹ KISSINGER, H.: *White House Years*, p. 94.

³² CIEP, chaired by the President, consisted of: Secretaries of State, Treasury, Agriculture, Commerce, and Labor; the Director of the Office of Management and Budget; the Chairman of

Changing World Economy, wherein he noted that the U.S. share in the world's welfare was shrinking and asserted that 'economic issues should take precedence over traditional diplomatic niceties'.³³

The most significant event in the deterioration of U.S.-European relations was the so-called 'Nixon shock'. On August 15, 1971, without consultations with the Europeans, the president imposed a 10% surcharge on imports and announced the suspension of dollar convertibility into gold. Foreign reactions were very negative. It was not only an economic, but also a political attack on European countries. Nixon's decision was perceived in Europe as an arrogant display of American power and as the factor which would jeopardize attempts at forming a real partnership. It could also undermine confidence in the U.S., as it was the Americans who had convinced their allies to keep their reserves in dollars – suspending convertibility would bring great losses to these loyal countries.³⁴

During this time, the U.S. was using the threat of withdrawal of American troops from Europe as a political tactic in order to gain economic concessions. On May 11, 1971, Senate Majority Leader Mike Mansfield submitted the amendment proposal to the Military Selective Service Act from 1967 demanding a significant reduction of U.S. troops in Europe until December 31, 1971. Passing this amendment appeared quite feasible as Mansfield could count on wide support in the Congress. However, although the White House undertook firm action against the initiative, and Mansfield's amendment was rejected, pressures on Europe were still exerted.³⁵

3 The Kissinger's Proposal and the Reactions in Europe

As these divergences arose, the idea of institutionalization of transatlantic cooperation was considered more seriously in Washington. But the sounding talks on the topic with European officials revealed their suspicion that the future organization or forum would be dominated by the United States. They were afraid that the Americans would try to exhort the solutions profitable to their national interest and would not hesitate to break up European solidarity.

After Great Britain had joined the EC in January 1973, Nixon tried to encourage British Prime Minister Edward Heath to restore the 'special relationship'. During the meeting in Camp David in February 1973 the President claimed that the isolationist mood arose in the United States and that serious economic conflict with Europe was highly possible. Nixon proposed forming the British-American working group which could deal with that problem. He also suggested convention of a special summit of industrialized countries. Heath stated the American idea could be realized when Western Europe would be politically integrated and would be able to take a common standpoint. Besides, the British Prime Minister claimed that there were already many institutions of transatlantic cooperation: NATO, the Organization for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF), and General Agreement on Tariffs and Trade (GATT) and there was no point in creating a new

the Council of Economic Advisers; the President's Assistant for National Security Affairs; the Executive Director of the Domestic Council; and the Special Trade Representative. In August 1971 the Secretary of Defense was invited to the organization.

³³ Editorial Note. In *Foreign Relations of the United States 1969-1976*, vol. 3, Washington D.C., Government Printing Office, 2002, pp. 179-180.

³⁴ NATHAN, J. A. – OLIVER J. K.: *United States Foreign Policy and World Order*, Boston, Little, Brown & Company, 1985, p.374.

³⁵ BALL, G. W.: *The Past Has Another Pattern. Memoirs*, New York, Norton&Company, 1982, p.450.

one.³⁶ Heath had always been convinced that bilateral negotiations with the US would be difficult for any European country. He was afraid that the Americans would try to take advantage of the differences between the EC members to shape the agreement according to their interest.³⁷

Also French President, Georges Pompidou, was skeptical about creating a new framework for transatlantic dialogue. During the Franco-American summit in Reykjavik at the end of May 1973 he claimed that the American aim of Atlantic Declaration was to shift the responsibility for the economic and military reforms on the Europeans. He warned that it could jeopardize the alliance. When Nixon suggested starting negotiations of the four powers: the US, France, Great Britain and Germany, Pompidou refused, showing the solidarity with other EC countries.³⁸

Despite this cool reaction, the Nixon administration decided to formally announce its new position. On April 23, 1973, Henry Kissinger, in his speech to Associated Press editors, put forward a proposal entitled a 'New Atlantic Charter' and pronounced 1973 the 'Year of Europe' in American foreign policy. The proposed Atlantic Community was supposed to consist of the United States, Canada, Western Europe and Japan.³⁹

Kissinger also expressed anxiety about the lack of consultation during a time of changing geopolitics. He noted the rising criticism of U.S. policy in Europe especially that connected with the engagement in Vietnam but he also called attention to the growing conviction in American society that the United States should not take excessive responsibility for the world without more significant support from its partners. According to Kissinger, uncoordinated strategy on key subjects could cause the atrophy of the alliance or even failure of the West in the Cold War struggle. He also articulated the major problems in transatlantic relations: too-fierce economic rivalry, lack of decisive developments in common defense policy and insufficient coordination of diplomacy.⁴⁰

The National security adviser postulated that the main aim should be creating the proper balance between the interests of the individual countries and the aspirations of the Atlantic community. He was disappointed that European integration, supported by the Americans from the beginning, created distance between the allies. He claimed that the uncontrolled economic rivalry could destroy the partnership. It meant that the Europeans would have to consider American needs and make concessions if they wanted to avoid serious political tension. Although he ensured that Nixon's administration was not going to withdraw American troops from Europe, he insisted the allies could afford more significant spending for their own defense. As Kissinger underlined: 'the political, military, and economic issues in Atlantic relations are linked by reality, not by our choice or for the tactical purpose of trading one off against the other. The solutions will not be worthy of the opportunity if left to technicians. They must be addressed at the highest level'.⁴¹

³⁶ Peter Flanigan to Richard Nixon, Nov. 28, 1973, White House Central Files. Subject Files – Countries (CO), Nixon Presidential Materials Project, box 31, (National Archives and Record Administration, College Park, MD).

³⁷ MÖCKLI, D.: *European Foreign Policy during the Cold War: Heath, Brandt, Pompidou and the Dream of Political Unity*, London, Tauris, 2008, p.152.

³⁸ Ibid., p.157.

³⁹ HOFFMANN, S.: *Toward a Common European Foreign Policy?* In *The United States and Western Europe. Political, Economic and Strategic Perspectives*, Cambridge, Massachusetts, Winthrop Publishers, 1974, p.90.

⁴⁰ KISSINGER, H. *Address given in New York*, Apr. 23, 1973, European Navigator, http://www.ena.lu/address_given_henry_kissinger_new_york_23_april_1973-2-9561.pdf.

⁴¹ Ibid.

The 'New Atlantic Charter' was mainly aimed at the coordination of policies in the two very important fields: security and trade. But the Europeans were particularly reluctant to adopt the perspective of linking those two issues, and especially wary of negotiating them simultaneously. As the European countries were dependant on American defense, they feared they would be exposed to strong pressure to accept unprofitable terms of trade.⁴² Another very important matter was the specific division of tasks between the United States and Europe in the policy towards the communist bloc. Kissinger claimed that his country had global commitments while the European sphere of interests was defined as 'regional'.⁴³ This was perceived as suggesting that the role of the allies was to execute the assumptions of the American strategy, especially in the relations with the Soviet Union.

As might have been anticipated, the reactions of Europeans were reserved, but officially governments declared the initiation of efforts aimed at working out the common European project of the Atlantic Declaration. Informally, they communicated that they would stress the separate identity of the European Communities in foreign policy and would not let their activity on the international stage be subordinated to American interests.⁴⁴ 'The Washington Post' noticed that the representatives of the United States and Western Europe had to discuss mainly economic issues. As the questions of common defense were established in the 1940s and 1950s, the details of military cooperation seemed to be a secondary problem. The commentator agreed with Kissinger, that it was 'the responsibility of national leaders to insure that economic negotiations serve larger political purposes'.⁴⁵ But in his opinion, Kissinger did not really treat the Europeans as the equal partners. After the negative experience connected with the 'Nixon shock' they could be anxious that to defend the American interest the President would not hesitate to take unilateral steps. This kind of decision in relations with allies had destructive effects. Especially in the economic field, as not only governmental, but also corporations', consumers' and investors' interests were threaten⁴⁶.

4 Transatlantic negotiations

During the conversation with Kissinger in London, on May 1, 1973, Heath proposed establishing the special working group consisting of the representatives of the Federal Republic of Germany (FRG), France, Great Britain, and the United States in the framework of NATO. British Prime Minister also proposed *ad hoc* meetings to discuss urgent problems. He underlined however that this idea had to be accepted by all countries of the EC.⁴⁷

Brandt visited Washington on May 2, 1973. He was favorable to the American initiative of strengthening the alliance, but he did not propose any scenario to carry it into effect. Brandt only stated that the failure of negotiations in one field should not stop them in the other. Kissinger was disappointed as the main aim of the Atlantic Declaration was the agreement on the all interdependent issues at the same time. That was why he regarded Brandt's readiness for negotiations as insincere.⁴⁸ The Chancellor wanted Nixon's meeting with the European leaders on the forum of NATO. But Kissinger refused. He noticed that not all

⁴² HAMMOND, P. Y.: Changing Bargaining Relations in the Atlantic Alliance In *The United States and Western Europe. Political, Economic and Strategic Perspectives*. Cambridge, Massachusetts, Winthrop Publishers, 1974, p.226.

⁴³ KISSINGER, H.: Address given in New York.

⁴⁴ JOBERT, M.: *Mémoires d'avenir*, Paris, Grasset, p.232.

⁴⁵ Dr. Kissinger and Europe, *The Washington Post*, Apr. 25, 1973, p.A20.

⁴⁶ Ibid.

⁴⁷ KISSINGER, H.: *The Years of Upheaval*, Boston, Little, Brown & Company, 1982, p.163.

⁴⁸ Henry Kissinger to Richard Nixon, May 2, 1973, NSC Files. VIP Visits, Nixon Presidential Materials Staff, box 916 (National Archives).

members of that organization were simultaneously in the EEC. It could push the economic questions into the background.⁴⁹

The French minister of foreign affairs, Michel Jobert met Kissinger on May 17. The American politician tried to persuade that the administration was not going to exert the influence on the allies. He alleged many cases where Nixon did not follow the advice of economic departments which were eager to use American power to extort concessions from the Europeans. Kissinger admitted he preferred bilateral meetings with the representatives of particular countries to negotiations with the spokesperson of the EC, to speed up the issue of the Atlantic Declaration.

Jobert was critical to this initiative. He regarded the statement about 'regional European interests' as the most arrogant. Kissinger admitted that some fragments of his speech might have been misformulated. However he assured Jobert that he aimed at showing the Europeans that in spite of intensification contacts with the USSR and China, the US did not neglect its best allies. Kissinger proposed establishing the 'declaration of rules' of transatlantic relations. He agreed with British suggestions that it should be worked out by the representatives of FRG, France, Great Britain, and the United States. After they established the basic directives, the other countries could join.⁵⁰

Initially, the United States planned to state precisely the rules of cooperation in all fields and to present that proposal to the French, British and German governments. However, Jobert took the standpoint that economic problems, which came within the purview of the EEC, and military issues which were to be dealt in the framework of NATO, could not be included in one document. He proposed introducing two separate declarations: one worked out by the EEC and the second, by NATO. The Europeans wanted to elaborate their own, common proposal and - what made the Americans anxious - without previous consultations with Washington.

Jobert and Kissinger met again in Paris, on June 8. The French minister accused the Americans of disloyalty. He claimed that Kissinger wanted to jeopardize European unity by leaking information about informal meetings with the representatives of only three EC countries. Kissinger denied this and placed the blame on the Department of State. But Jobert was not convinced. He argued that Kissinger had been attacking the EEC, because the main goal of the Atlantic Declaration was to facilitate economic concessions for the Americans.⁵¹ The unfriendly mood of the conversation confirmed for Kissinger his conviction that Jobert would do everything to dissuade the Europeans from agreeing to the American vision of the Atlantic Declaration.

Jobert, who was apparently reluctant to sign the Atlantic Declaration in any form, tried to promote mistrust for the United States among the other European nations. Kissinger claimed that Jobert had asked him for the document draft before the English and Germans got it. When he received it (in two versions), the French minister showed the paper to his European colleagues expressing astonishment that they had not yet received it.⁵² After that, Heath informed Nixon that the EC aimed at common policy toward the United States and that none of its members would maintain closer relations with Washington than the others.⁵³ This statement could be reasonably interpreted as renouncing the informal 'special relationship' between

⁴⁹ KISSINGER, H.: *The Years of Upheaval*, p.156.

⁵⁰ Memorandum of conversation: Henry Kissinger, John Irwin and Michel Jobert, May 17, 1973, NSC Files. HAK Office Files. Country Files – Europe, Nixon Presidential Materials Project, box 56 (National Archives).

⁵¹ Memorandum of conversation: Kissinger and Jobert, Jun. 8, 1973, NSC Files. HAK Office Files. Country Files – Europe, Nixon Presidential Materials Project, box 56 (National Archives).

⁵² KISSINGER, H.: *The Years of Upheaval*, p.183.

⁵³ CAMPBELL, J.: *Edward Heath. A Biography*, London, Jonathan Cape, 1993, p.345.

Washington and London. Ultimately, however, Jobert rejected both versions of the American draft, without any alternative scheme.⁵⁴

During the EC Summit in Copenhagen on July 23, 1973, it was decided that the political directors would establish the main assumptions of the Atlantic Declaration for the Ministerial Meeting to be held in September, 1973. Negotiations with the Americans could be started after agreeing on the common text.⁵⁵ During this time, the Europeans did not consult with the Americans, to avoid direct pressures and prove their unity. Heath, in a letter to Nixon, underlined that the substance of all bilateral talks between the Americans and an envoy of any EC country would be imparted to the other members. Nixon expressed his disappointment, writing to the European leaders, claiming that the EC treated the United States as a 'common enemy'.⁵⁶ But the frequent interchange of letters between Brandt and Nixon is notable. The President was up to date with the European decision process.

Kissinger presented the American standpoint on the European strategy during conversation with Secretary General of the OECD – Emile van Lennep. The national security adviser was irritated by their suspicious attitude toward the Declaration. He reminded that the Congress was irritated by the privileged position of Europe in economic relations which caused the anti-European mood. The administration needed a symbolic success to be able to support its favorable politics toward the Old Continent. It was supposed to be signing the Atlantic Declaration. But the European leaders had been avoiding an explicit answer to this proposal. What was more prominent European politicians accused the US in the media of tendencies to subordinate the allies. According to Kissinger, in this way they gave perfect arguments for advocates of isolationism and protectionism. Van Lennep acknowledged Kissinger's perspective, but stated that most important was not establishing a new institution, but a constructive dialogue. In his opinion it should have been about trade and monetary issues, not about the abstractive declaration of partnership.⁵⁷

Nevertheless, neither the Americans nor the Europeans abandoned efforts to elaborate their draft of Atlantic Declaration. The EEC, following the French proposal, suggested two texts: one on the political and economic relations between the US and the EEC, and a second on common security in the framework of NATO. This scheme reflected the European point of view that military questions should be separated from political and economic issues. It was contrary to the American position, but in Washington this division was generally accepted. For reasons of prestige they did not want their initiative to be completely rejected.⁵⁸

At the meeting of EC foreign ministers in Copenhagen on September 10, the common project of the Atlantic Declaration was accepted. It was delivered to Washington with the suggestion that Kissinger should have an appointment with the EC representative (Danish Minister of Foreign Affairs Knud Andersen) to comment on it and point out possible reservations. The text reflected the French comprehension of transatlantic relations. The equality of all countries in all fields of cooperation was stated. It was emphasized that the Americans and the Europeans have different identities and that the EC was a 'separate subject' in international relations. The key words from the American draft: 'partnership' and

⁵⁴ KISSINGER, H.: *The Years of Upheaval*, p.187.

⁵⁵ William Rogers to Kissinger, Jul. 27, 1973, NSC Files. Subject Files: European Common Market, Nixon Presidential Materials Staff, box 322 (National Archives).

⁵⁶ KISSINGER, H.: *The Years of Upheaval*, p.190.

⁵⁷ Memorandum of conversation: Kissinger and Emile van Lennep, Jul. 27, 1973, NSC Files. HAK Office Files. Country Files – Europe', Nixon Presidential Materials Project, box 56 (National Archives).

⁵⁸ Kissinger to Nixon, Jun. 21, 1974, NSC Files. HAK Office Files. Country Files – Europe', Nixon Presidential Materials Project, box 54 (National Archives).

‘interdependence’ were replaced by the expressions ‘dialogue’ and ‘independence’.⁵⁹ This was a clear demonstration that Europe was not eager to accept American leadership.

For Kissinger, the document submitted by the Europeans was devoid of any practical content, and American intentions were not taken into account. He called the previous talks with the Europeans on Atlantic Declaration ‘the dialog of the deaf’. He perceived European draft as ‘the old vision’ not ‘a new impulse’ in the transatlantic relations. He concluded the Europeans did not want Nixon to visit the Old Continent.⁶⁰

On September 25, Andersen met with Kissinger in New York. Although he was personally an advocate of strengthening transatlantic relations, he had no authority to negotiate the text of the Declaration. He could only take note of American reservations and relay them to the EC for decision. Kissinger was deeply disappointed – he stated that such a form of negotiation would be inadmissible in the future as it practically hindered any consensus.⁶¹

The prospects for all parties signing a declaration with the objective of deepening cooperation in NATO were much more realistic. Surprisingly, the project that was acceptable to all parties came from Paris.⁶² It underlined the necessity of strengthening the common defense, making vital changes necessary to adjust the Alliance to the dynamic international situation and creating connections between conventional and nuclear forces. The Americans had some doubts connected with the lack of political considerations, but they agreed to accept the declaration because it at least partly fulfilled their demand of renewing transatlantic relations.⁶³

5 The influence of the oil crisis

The idea of a comprehensive Atlantic Declaration was abandoned during the 1973 oil crisis. In the midst of the Yom Kippur war between the Arabic countries and Israel, Nixon decided to support the latter by sending military equipment and by announcing an alert for U.S. military forces. But the Europeans thought it was an overreaction endangering world peace and refused to provide their airports and any other help the Americans required in their engagement in the conflict.⁶⁴ This action was prompted not only because of the lack of consultation, but also for economic reasons. On October 17, the Arabic members of Organization of Petroleum Exporting Countries (OPEC), decided to limit oil production and impose an embargo on the United States and the Netherlands. Within a few months, the price of oil had risen by 400%. This decision particularly affected Western European countries as they imported about 80% of their oil from the Middle East, while the United States imported only 12%. European leaders initially rejected Kissinger’s proposal of creating a ‘common front of the consumers’ to pressure the producers to change their decision on production. Instead, they tried to negotiate with the OPEC countries on their own, undermining the American strategy and increasing mutual resentments. In this situation, dialogue on the Atlantic Declaration was impossible.

The most interested in maintaining negotiations on that topic was FRG. Its Ministry of Foreign Affairs supported the American view that the text should be changed into a general political declaration to avoid discussing controversial details. But in the meantime the British started to share the reluctant French standpoint toward this document as they were not invited to

⁵⁹ PFALTZGRAFF, D.: *The Atlantic Community*, p.22.

⁶⁰ KISSINGER, H.: *The Years of Upheaval*, p.704.

⁶¹ *Ibid.*, p. 703.

⁶² Its author was François de Rose, French ambassador to NATO.

⁶³ KISSINGER, H.: *The Years of Upheaval*, p.706.

⁶⁴ Heath told the journalists that the U.S. was responsible for the outbreak of the conflict. CAMPBELL, J.: *Edward Heath*, p.350.

Geneva as the mediator in the peace negotiations in Arab-Israeli conflict. They questioned the possibility of real partnership between The United States and its European allies.⁶⁵

The EEC countries decided to suspend negotiations with the US and they were not recommenced until November 20, 1973 when Andersen was entitled to represent the Communities in the talks on Atlantic Declaration by the Council of Ministers of the EC.⁶⁶ During the same meeting of the Council, held in Copenhagen, the Declaration on European Identity was announced. It was the catalogue of the common values such as cultural heritage, shared political and economic interests, and the pursuit of closer integration. Particular attention was given to the question of foreign policy. It was stated that each government was independent in that field, but it was difficult to maintain it as the influence in the world was divided between two superpowers. Because of that situation, the EC should aim at closer political integration to enable itself to safeguard its crucial interests. The ministers of foreign affairs obliged themselves to meet regularly in order to agree the common standpoint in the most important issues in the international affairs. The cooperation with the US was not rejected, but it was mentioned only in the context of nuclear defense and the presence of American troops in Europe.⁶⁷ The economic problems which were vital for Washington were not pointed out. This Declaration was a plain demonstration of European independence and anxiety about formalization of transatlantic cooperation outside the field of security.

In those circumstances, the Americans paid more attention on the political dimension of transatlantic cooperation.⁶⁸ The United States was concerned about the lack of coordination of the policy toward the oil producing countries. The Americans decided to organize a conference to establish common strategy. The meeting was held in Washington D.C. from 11 till 13 February 1974. The ministers of foreign affairs and those responsible for economic problems from the US, Canada, Norway and from the EEC countries were invited. After stormy discussion, all American postulates were adopted in the declaration pronounced on February 13. The most significant of them was establishing Energy Coordinating Group (ECG) which was the forum of cooperation on the energy issues⁶⁹. Only France was against creating the new body and did not join it. Jobert claimed the problems should be discussed in an OECD forum, as the ECG would act according to the US interests.

Creating the ECG was a triumph of American diplomacy and the successful attempt to regain the leadership in the alliance. So it was surprising that on March 5, 1974 ministers of foreign affairs of the EC countries pronounced the decision on formalization of the cooperation with Arabic countries – the producers of oil. They were going to hold regular meetings with their counterparts. Although it was stated that questions of energy and the political situation in the Middle East would not be touched, the Americans were suspicious. They had a grudge against the Europeans because of lack of the consultation before making that decision. Also on March 5, the Europeans submitted the final version of the Atlantic Declaration. The Americans

⁶⁵ Martin Hillenbrand to the Department of State, Dec. 17, 1973, NSC Files. Country Files – Europe (Germany), Nixon Presidential Materials Staff, box 688 (National Archives).

⁶⁶ PFALTZGRAFF, D.: *The Atlantic Community*, p.21.

⁶⁷ Communique of European Community 'Summit' Meeting. In *The New Europe and the United States. Partners or Rivals*, ed. Gerhard Mally, Lexington, Lexington Books, 1974, pp.377-382.

⁶⁸ Daniel Möckli claims that the transatlantic economic relations had improved. In September 1973 during the IMF meeting in Nairobi it was decided to activate the negotiations on the monetary system reform. Besides, the Americans as well as the Europeans were preparing for the next GATT round in Tokyo. The devaluation of USD in February 1973 brought the positive impulse for the US economy. MÖCKLI, D.: *European Foreign Policy*, p.183.

⁶⁹ Text of Communique Issued by Washington Energy Parley, Jan. 13, 1974. In *Atlantic Community in Crisis*, pp. 451-454.

rejected it. According to them the Atlantic partnership was treated as the secondary aspect of European political consolidation and the question of procedures of consultation was unclear.⁷⁰

This was definitely the end of initiative of the Atlantic Declaration. On March 15, 1974 Nixon stated that the Europeans could not count on the US for defense and at the same time confront it in the economic and political field. He declared that he would not meet the European leaders before they showed a willingness to end all the most controversial disputes.⁷¹ In his memoirs Kissinger blames France for the fiasco of Atlantic Declaration.⁷² Walter Scheel – minister of foreign affairs of the FRG – ensured that the EC policy was not identical with the French policy. The other countries did not want to provoke a serious conflict with the US. Kissinger answered sarcastically: ‘Some Europeans come to us and say: we are great Atlanticists because we are only doing 30 percent of what France does. But this only affects the rate, not the direction’.⁷³

However France was gradually isolated in its policy. On March 18, the Americans managed to negotiate the unconditional repeal of the oil embargo. One day later Saudi Arabia pronounced an increase in production by a million barrels a day. The effectiveness of US diplomacy was confirmed and the sense of competitive European policy was impaired. The European countries wanted to restore good transatlantic relations. On April 25 the FRG government finally signed a long negotiated offset agreement which compensated the costs of maintaining the US troops.⁷⁴ In June 1974 the EEC established the procedure of consultation with the US. Each member country could propose to have them, but they should have been held by the country which had the presidency in the Council of Ministers.⁷⁵

On June 19, 1974, during the NATO meeting in Ottawa, agreement was finally reached on the text of the Declaration of Atlantic Relations. It focused mainly on common defense, notably the necessity of increasing the funds contributed by particular countries for this purpose. The signatories committed themselves to maintaining permanent consultations on all activities on the international stage. The Alliance also announced activities aimed at eliminating sources of economic conflict.⁷⁶ But it was obvious that key differences between Europeans and Americans reminded. Moreover, the consultation could be effective only on security and defense issues. Thus, the document was a compromise. The allies gave up the idea of separate, far-reaching Atlantic Declaration, transferring its less controversial points to a broader statement within the framework of NATO.

CONCLUSION: THE REASONS OF FAILURE OF THE ATLANTIC DECLARATION

The Atlantic Declaration proposal was made by the Americans in a moment of serious disagreement between the United States and Western Europe. It was an attempt to strengthen cooperation on conditions profitable for the U.S.; European ambitions based on the EEC economic potential were disregarded. Further, European leaders did not want to sign the declaration with the Nixon administration, as the American president was held suspect in the

⁷⁰ Kissinger to Nixon, Jun. 21, 1974, NSC Files. HAK Office Files. Country Files – Europe, Nixon Presidential Materials Project, box 54 (National Archives).

⁷¹ KISSINGER, H.: *The Years of Upheaval*, pp.931-932.

⁷² *Ibid.*, 729.

⁷³ Memorandum of conversation: Kissinger, Willy Brandt and Walter Scheel, Mar. 24, 1974, NSC Files. Presidential/HAK Memcons, Nixon Presidential Materials Staff, box 1027 (National Archives).

⁷⁴ Germany, U.S. Sign Troop Pact, *The Washington Post*, Apr. 26, 1974, p.A20.

⁷⁵ GOODMAN, E. R.: *The Fate of the Atlantic Community*, New York, Praeger Publishers, 1975, p. 177.

⁷⁶ Declaration on Atlantic Relations, NSC Files. HAK Office Files. Country Files – Europe, Nixon Presidential Materials Project, box 54 (National Archives).

Watergate affair.⁷⁷ The American vision of the document, which was supposed to join economic issues with the political and defense aspects of cooperation, could serve as a pressure tool. In the early 1970s, the priority of American diplomacy was not, despite numerous official statements, a real partnership with Western Europe, but, instead, reaching agreement with the Soviet Union and establishing relations with communist China. Nixon's main goal was to make the Europeans help, not hinder, such aspirations. As the most serious transatlantic divergences concerned the economic sphere, it can be stated that the proposal of the Atlantic Declaration aimed at regulation of trade and monetary issues according to American interests. It is worth mentioning that Kissinger's proposal was announced during a time of discussions on monetary system reform. It was also the year of the Tokyo Round of GATT and the enlargement of the EC – when Great Britain, Ireland and Denmark entered and the Communities were remarkably strengthened. Fred Bergsten⁷⁸ claims that transatlantic tensions lasted so long because Western Europe could not establish a political unity, which could have made it a real partner for the U.S.⁷⁹ But paradoxically, Kissinger's proposal brought back to life the idea of European Political Community. During the negotiations on that matter Andersen presented the common standpoint of the EC member countries. But soon it turned out that it was only temporary situation.

As Daniel Möckli stated: “If the year 1973 was, in some respects, the ‘Year of Europe’, 1974 has been aptly coined the ‘Year of Economics’.”⁸⁰ Indeed, it was particularly difficult year for EEC. The crisis shook the solidarity of the Community (for example France decided to quit the monetary agreement and float its currency). Due to the economic problems like raising inflation or unemployment, the initiatives of further integration, like common energy market, were suspended.⁸¹ In those circumstances, there was no danger that the EC would be fueled by opposition to the US and the serious crisis in the Atlantic alliance would occur. But still, European anxiety about American domination was the main cause of the failure of the U.S. proposal.

To analyze this matter the theory of hegemonic stability can be used. The hegemon is the militarily powerful and rich country which dominates world politics and the world economy. It voluntarily takes the responsibility to deliver public goods (such as stable currency, free trade and military security) for the international system. Maintaining the system requires a lot of expenditures. But it is still profitable for the hegemon, because it takes advantage of its dominant position. Yet the hegemony is self-destructive. The superpower is engaged in sustaining the system, while the other states get the strength and expend their influences. The costs of ensuring the military defense of the allies and the responsibility for the economic system appear too large. What makes the matter worse is that the other countries are unwilling to share the responsibility, as they take ‘the protection’ of the hegemon for granted. In that situation the hegemon's burdens increase and its citizens become reluctant to maintain the system alone, as the other participants have greater profits than the leader. Thus authorities make the domestic interest a priority and international commitments are regarded as a

⁷⁷ CAMPBELL, J.: *Edward Heath*, p.346.

⁷⁸ During the period 1969-1971 C. Fred Bergsten coordinated U.S. foreign economic policy as the Assistant for International Economic Affairs to Henry Kissinger at the National Security Council.

⁷⁹ BERGSTEN, F.C.: *Toward a New International Economic Order*, p.313.

⁸⁰ MÖCKLI, D.: *European Foreign Policy*, p.250.

⁸¹ *Ibid.*, p.251.

secondary matter.⁸² Sometimes the country is simply too weak to maintain its engagement at the same level.⁸³

After WWII, the US was unquestionable leader of the Western political and economic system. That the Nixon doctrine assumed the necessity of sharing with the allies the responsibility for security was one of the proofs of the decline of US hegemony. It should also be considered that the Americans could not impose their will on the allies. Further, the Europeans aimed at self-dependence in shaping their policy. Both parties wanted to keep the alliance, trying to shape them according to their own idea, but it required difficult compromise and enhanced mutual distrust.

The fiasco of the Atlantic Declaration showed that the US could not rely on the unreserved support of its allies. In the second half of the 1970s., the concept of pluralist leadership appeared. It was based on taking common decisions and coordination of politics between the most industrialized countries. In November 1975 in Rambouillet, France the summit of six states (FRG, France, Great Britain, Italy, Japan and the United States) was held. In the following year the representative of Canada joined. The meetings of the Group of Seven have been taking place every year: the leaders try to reach consensus and coordinate their strategies on the most important issues concerning world economy and politics.

Despite the decline of US hegemony, the system constructed after the WWII persisted. There was no alternative – no other country was ready to engage itself in maintaining international order or was able to lead other states to this purpose. It was easier to reform the old system than to create a new one.

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⁸² GILPIN, R.: *The Political Economy of International Relations*, Princeton, Princeton University Press, 1987, pp.72-80.

⁸³ Charles Kindleberger, reckoned to be the author of the theory, claimed the Great Depression of the 1930s. was so severe and long because of lack of the strong lender in the international financial system. KINDLEBERGER, Ch.: *Manias, Panics, and Crashes. A History of Financial Crises*, New York, Basic Books, 1978.

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