

RICHARD NIXON AND EUROPE:
CONFRONTATION AND COOPERATION, 1969-1974

Luke A. Nichter

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Committee:

Douglas J. Forsyth, Advisor

Theodore F. Rippey,
Graduate Faculty Representative

Gary R. Hess

Thomas A. Schwartz
Vanderbilt University

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INTRODUCTION

This study sets forth an examination of the most important transatlantic issues that occurred during the presidency of Richard Nixon, from 1969 to 1974. These include the beginning of Nixon's foreign policy and his 1969 European summit tour, the recovery of NATO in the years following numerous crises from the mid-1960s to 1972, the collapse of the Bretton Woods currency regime in the fall of 1971 and its immediate aftermath, the 1973 American policy the "Year of Europe", and the renegotiation of the British terms of membership in the European Community. While choosing any number of issues is also a matter excluding others, certainly time and space could have been devoted in this study to trade relations, the European security conference and the path to Helsinki, and out of area conflicts that had great effect on U.S.-European ties, such as the Yom Kippur War or the 1973-1974 oil shocks and subsequent energy crisis. However, due to the only recent availability of relevant government documents both in the United States and Europe, with many more pending release, a line had to be drawn somewhere. That line that was drawn for the purpose of designing this study to be an in-depth view into a wide range of challenges faced in transatlantic relations during 1969 and 1974: military, political, and economic.

This study has also for the most part been constructed according to the issues in transatlantic relations that most occupied President Nixon's time. This was by no means a scientific approach, but some measure of accuracy can be gained simply when the volume of government documents that demonstrates the direct involvement of the president on a particular foreign policy issue greatly outweighs another, or whether Nixon's time, as recorded on the Nixon tapes, was spent in far greater quantities on some tasks rather than others. This brings us to the next point: this study has also been an attempt, with the help of the Nixon tapes where they

were available, to present these issues as Nixon himself experienced them, in real time. Of course, we cannot seek to replicate a president's background, knowledge, secret thoughts, worries, fears, or thought processes, but we can replicate, based on the Nixon tapes, how he learned about a particular issue, how he initially reacted, who he consulted, how he responded, what action he took or ordered to be taken, and how with benefit of hindsight he later interpreted that series of events. This has not been possible in all cases, but the richness of sources, documents, and taped conversations have all been chosen with that goal in mind. After all, the Nixon tapes allow us to know more about the intimate thoughts of Richard Nixon than perhaps any other president, past or present. The closer we can come to understanding the president's new vision for the world on January 20, 1969, while he stared out across the West front of the United States Capitol at the masses of spectators, knowing then that his first foreign policy move in what would become a complete American foreign policy overhaul would be to Europe, the closer we can come to understanding how he handled later challenges in the transatlantic relationship, as well as how he crafted the origins for the significant foreign policy undertakings taken later with the Soviet Union, China, and Vietnam. Nixon had seen plenty of ups and downs in U.S.-European relations since the end of the war, and contributed more of each during his own time in the White House. There have been many studies dedicated to understanding both the successes and shortcomings of the Nixon presidency and Nixon foreign policy, but in 1969 he was arguably best prepared to deal with European issues, on which he had the deepest background, and functioned in his best element in the realm of foreign policy. It was his dealings with Europe, and the successes and failures involved, that brought out something very close to his true character.

CHAPTER I. NIXON AND THE ALLIES

Little more than two weeks after his inauguration, on February 7, 1969, President Nixon announced in a statement that his first overseas trip would be to Europe. “I am pleased to inform you that after consultations with the heads of state and government concerned, I have decided to visit Western Europe late this month. I plan to visit Brussels, London, Bonn, Berlin, Rome, and Paris in that order.”¹ Of course, Nixon was no stranger to Europe. He had already made the acquaintance of nearly every leading politician and head of state from the postwar period over the span of a long career that included numerous private and official visits. In fact, it was in 1947, as a junior member of the House of Representatives that he made his first official visit to Europe. Then, with the so-named Herter Committee, he studied the requirements and resources of the countries which were to receive American economic assistance through the then-proposed Marshall Plan.²

Nixon’s coming of age as an aspiring national politician coincided with the creation of the North Atlantic Treaty Organization (NATO) and the European integration movement that led to the development of the European Economic Community and later the European Community, which he had supported since their inception as a member of the United States House of Representatives, Senate, and while Vice President. Nixon’s promotions through the political ranks occurred during the early Cold War and the Berlin Airlift, and his work for the House Un-American Activities Committee strengthened his anti-Communist credentials both at home and abroad. Nixon witnessed Soviet acts of repression in Central and Eastern Europe during the late 1940s and 1950s and famously stood up to Nikita Khrushchev in the “Kitchen Debate” in

¹ British National Archives (PRO), Papers of the Prime Minister, PREM 13-3007, Telegram from British Embassy Washington to Foreign and Commonwealth Office, “President Nixon’s Visit to Europe”, February 7, 1969.

² PREM 13-3007, United States Information Service: Tentative Schedule for Nixon’s European Visit, February 7, 1969.

Moscow in 1959, events that helped to cement his worldview during the time he spent out of office in the 1960s, while the Berlin Wall was erected and the standoff of the Cuban missile crisis came and went. Thus, it was natural then that the orbit of Richard Nixon's foreign policy expertise coincided with Europe for much of his life. Among his contemporaries were towering figures such as Charles de Gaulle, Winston Churchill, Konrad Adenauer, and Jean Monnet.

This chapter argues that Nixon's established relations with European leaders and his 1969 summit tour of Western Europe paved the way for many of his later, better-known foreign policy achievements. On that tour, as the newly installed American president, Nixon did not waste time getting to know European leaders such as Charles de Gaulle, Harold Wilson, and Kurt Georg Kiesinger. He already knew them, and their opposition leaders, as well as many of Europe's leading businessmen and intellectuals. They also knew him and his long-standing commitment to the old continent. So, instead of small talk, Nixon got right to the business of consulting them about his proposed overhauls to American foreign policy, including improving transatlantic relations, ending the Vietnam War, establishing détente with the Soviet Union, beginning the process of normalizing relations with China, and reevaluating American policy in South Asia and the Middle East. Although Nixon came to these European summits with plenty of his own ideas about these still embryonic policies, it had been his European experiences before his arrival at the White House and his pre-existing relationships with a variety of world leaders that allowed him to get to work so quickly on such a robust and lasting overhaul of American foreign policy.

This chapter includes several sections: a summary of American relations with Europe in the years immediately preceding Richard Nixon's arrival at the White House, how the new American president sought to make reestablishing good relations with France, Germany, and the United Kingdom a major priority of his new administration, and a summary of the domestic

political situations in France, Germany, and the UK in the run up to and during Nixon's early time in office. The focus of this chapter is transatlantic relations during the first half of Nixon's first term on the basis that these two years set in motion the remainder of Nixon's foreign policy, and were the best two years during Nixon's tenure for an examination of U.S.-European relations at their peak, before the arrival of later crises.

President Nixon and Europe

Having made the transition from long-time observer of postwar Europe to taking leadership during his first summit tour overseas, Europe was a comfortable starting point in the foreign policy plans of Richard Nixon in early 1969. The new president noted that "the purpose of this trip is to underline my commitment to the closest relationships between our friends in Western Europe and the United States...the alliance, held together in its first two decades by a common fear, needs now the sense of cohesiveness supplied by common purpose."³ Even Assistant to the President for National Security Affairs Henry Kissinger got used to telling people how important Europe was to the president. "This President believes that our relations with Western Europe are of overriding importance—because they are our oldest and closest allies and also because a stable world is inconceivable without a European contribution. The postwar alliance relationship which the U.S. helped build and sustain for 25 years is our greatest achievement in foreign affairs."⁴

However, traveling to Europe early in his administration also served other purposes. Nixon inherited unpopular foreign policies from the Johnson administration, including the Vietnam War and a general malaise in relations with European countries such as France, not to speak of serious domestic turmoil. In his memoirs, Nixon stated that in early 1969 he wanted to

³ PREM 13-3007, Telegram from British Embassy Washington to Foreign and Commonwealth Office, "President Nixon's Visit to Europe", February 7, 1969.

⁴ NSC Files, Box 15, "Talking Points: HAK Remarks to Brookings Trustees Dinner, May 13, 1971."

show the world that the new American President was not completely obsessed with Vietnam, and to dramatize for Americans at home that, despite opposition to the war, their president could still be received abroad with respect and even enthusiasm.⁵ Writing to British Prime Minister Harold Wilson early in his administration, Nixon noted, “I have long felt that the first order of business for this administration must be an early meeting with you and other Western European heads of government. We have much to talk about if we are to establish the confidence so essential to the maintenance of a strong and healthy alliance.”⁶ For those countries he did visit on that historic February-March 1969 visit—President Nixon was fond of saying that there were “only four countries which counted in Western Europe: Germany, Britain, France, and Italy”—the visit set a lasting pattern in relations with Europe for the subsequent five years. Nixon was very good at listening to European concerns and he sometimes consulted with them when it helped him or when he felt obligated to do so, but he always came to his own conclusions in private later. Foreign leaders, even Charles de Gaulle, fell into the same category for Nixon as cabinet secretaries: to the president of the United States, they were never more than advisors, and as such, their advice could be heeded entirely, or ignored completely.

But, Nixon did listen to European leaders a lot, especially in 1969 and 1970. In fact, the origins for many of the administration’s foreign policy successes and failures can be found in the records of far-ranging conversations he held with European leaders during that summit tour.⁷ Nixon liked to hypothetically suggest ideas to European leaders such as de Gaulle or Wilson—“say, how interested do you think the Soviets are in arms talks?”—and gauge the reaction as well

⁵ Richard Nixon, *The Memoirs of Richard Nixon* (New York: Grosset & Dunlap, 1978), 370.

⁶ PREM 13-3007, Telegram from Foreign and Commonwealth Office to British Embassy Washington, “Personal Message for Ambassador from Private Secretary”, February 3, 1969.

⁷ National Archives and Records Administration (NARA), Nixon Presidential Materials Project (NPMP), National Security Council (NSC) Files, Box 1023, Memorandum of Conversation between President Nixon and Chancellor Kiesinger, August 8, 1969.

as the level of assistance the particular foreign leader could be to the American president. For those who could be of help, a private system of communications—the so-called “backchannels” for which Nixon was later criticized for relying too much on secret diplomacy—were established between Washington and Paris, Bonn, and London. Also, Nixon determined those leaders he thought he could trust and those he should avoid, normally designating a trusted interlocutor—whether American or foreign—who had direct access to each chief of state, and he stuck to that pattern for the remainder of his tenure in the White House. And, once the president made a firm first impression, he rarely changed his mind later. Finally, and most importantly, he learned which foreign policy issues—whether Vietnam, NATO, his interest in China, or East-West relations—he could discuss bilaterally because the country in question both was sufficiently discrete and could contribute something to the discussion, and which issues certain nations were better left in the dark. Far more leaders were left in the dark than were truly consulted.

Just as Richard Nixon was no stranger to Europe, the Europe that the new American president encountered early in 1969 was also no stranger to postwar American intervention. Following the devastation of World War II that had left the continent in ruins, American aid and intervention pacified much of a continent that had been the fountainhead of almost permanent war for centuries. Protecting the Europeans not only against the Soviet Union but also against each other, the United States laid the cornerstone in its postwar foreign policy by establishing seemingly permanent alliances that have been sustained to the present day. Before Nixon’s long overdue visit to the old continent, the previous tour by an American president was by President Kennedy in June 1963. The Kennedy administration to its credit aggressively handled European issues—which were given the highest priority for decision making, often labeled “problems

requiring decision soon”—beginning just days after Kennedy’s inauguration.⁸ Kennedy was also the last president that had had any broad success in relations with Europe. In fact, on the day of his funeral, even French President Charles de Gaulle noted that Kennedy, “at heart, he was a European”, which was about as high a compliment as an American president could receive from the General.⁹ De Gaulle felt that Kennedy was the first American leader who would listen to his advice. His trust of the youthful president—there is an apocryphal claim that de Gaulle thought Kennedy resembled an “assistant hairdresser”—began in October 1962, when former President Harry Truman’s Secretary of State Dean Acheson was sent to London and Paris to show then Prime Minister Harold Macmillan and French President Charles de Gaulle the aerial surveillance photos of the Soviet missiles recently installed in Cuba. Unlike Macmillan, when de Gaulle heard of the threat, he did not even look at the photos when they were put before him. He trusted Kennedy, and if the American president said there were Soviet missiles in Cuba, that was good enough for de Gaulle. This spontaneous reaction on the part of de Gaulle—much more spontaneous than the British, despite the fact that the Americans perceived the British to be closer allies—showed the respect that de Gaulle had for Kennedy.¹⁰

The American government also had respect for Charles de Gaulle, who had become a public figure in France and abroad as the wartime resistance leader of Free France. Despite the tensions in Franco-American relations that would come during the latter half of the 1960s, Washington favored de Gaulle when he came to power in 1958. As the first president of the Fifth Republic, the strengthened presidency of de Gaulle was seen as an improvement over the previous weak and short-lived Fourth Republic. However, as de Gaulle became more

⁸ John F. Kennedy Presidential Library, National Security File, Box 283, Memorandum from James S. Lay, Jr. to Walt Rostow, February 8, 1961.

⁹ Douglas Brinkley and Richard T. Griffiths, eds., *John F. Kennedy and Europe* (Baton Rouge: Louisiana State University Press, 1999), 48.

¹⁰ Philippe De Gaulle, *De Gaulle Mon Père, Vol. 1: Entretiens avec Michel Tauriac* (Paris: Plon, 2003), 410-411.

independent in Europe after vetoing the British application for membership of the European Economic Community (EEC) in 1963, the United States increasingly counted on the other five members of the EEC—including Belgium, Germany, Italy, Luxembourg, and the Netherlands—to control him and France, especially in the absence of effective dialogue between Washington and Paris.¹¹ After the assassination of President Kennedy brought Lyndon Johnson to the White House, the Texan president appeared to seek no more than the status quo in foreign policy with Europe. Like Kennedy before him, Johnson rejected de Gaulle's plan for a remodeled Europe, and he resisted French efforts to withdraw American troops from Germany.¹² In fact, during the Johnson administration, De Gaulle often lamented, "ah, if only Kennedy was still there."¹³ After all, in Johnson's foreign policy, Europe never occupied the same position as the greater priorities of either Vietnam or domestic policy.

When Richard Nixon took possession of the White House in January 1969, a prominent new phase in transatlantic relations began. Nixon immediately gave the impression of wanting to reestablish good relations with Europe, and specifically with Charles de Gaulle.¹⁴ De Gaulle, for his part, also did not view Nixon the same way as he had Johnson. The French president had first met Nixon in April 1960, at a dinner that Nixon gave in de Gaulle's honor. De Gaulle had not forgotten that he had had trouble that night with his French interpreter, but when Nixon pretended not to notice de Gaulle's obvious frustration, de Gaulle was moved by such consideration, and he had maintained a favorable opinion of Nixon from then on.¹⁵ Also, unlike Johnson, although Nixon and de Gaulle differed on some major policy issues—namely NATO,

¹¹ Geir Lundestad, *The United States and Western Europe Since 1945: From "Empire" by Invitation to Transatlantic Drift* (New York: Oxford University Press, 2003), 121.

¹² H.W. Brands, *The Wages of Globalism: Lyndon Johnson and the Limits of American Power* (New York: Oxford University Press, 1995), 263.

¹³ De Gaulle, 412.

¹⁴ Maurice Couve de Murville, *Une Politique Étrangère, 1958-1969* (Paris: Plon, 1971), 154.

¹⁵ De Gaulle, 415.

Vietnam, and the Middle East—these differences did not create tension of the type that had been seen between de Gaulle and Nixon’s predecessor.

Nixon also had personal respect for de Gaulle because of an earlier event. Despite Nixon’s humiliating defeat in his bid for the presidency in 1960, he was still invited by de Gaulle to the Elysée in both 1963 and 1967, which also ensured that Nixon would continue to be received by other European statesmen during his years in the political wilderness. This was a privilege that few American political leaders out of office sought and fewer yet received, but Nixon had made it clear that he welcomed the advice and counsel of leaders such as de Gaulle. Nixon believed that an understanding of his own world could only be achieved by first having an understanding of the world of de Gaulle’s generation.¹⁶ And, when Nixon was returned to power in 1969, Europeans did not forget that the new American president had attempted to culture good relations with Europeans even while out of office when it was anything but clear that Nixon would one day have a political comeback. At former President Eisenhower’s funeral in Washington in March 1969, where de Gaulle assisted, he noted to Nixon, “I have lost a great friend.” Nixon’s response was, “You have another.” Nixon invited de Gaulle to return to the United States the following year, but the visit never happened after de Gaulle suddenly stepped down from power after a failed referendum in April 1969. Even then, Nixon renewed his offer for de Gaulle to visit while out of office as Nixon himself had done, and de Gaulle said he was “particularly honored and touched by the invitation.”¹⁷ Finally, when Nixon learned of de Gaulle’s death in November 1970, Nixon even invited his grandson Charles—then in the United

¹⁶ Eric Dior, *Un couple infernal: 200 ans de francophobie et d’antiaméricanisme* (Paris: Perrin, 2003), 214.

¹⁷ De Gaulle, 416.

States—to ride with him on Air Force One to the General’s funeral service at Notre Dame in Paris.¹⁸

Likewise, Nixon and German-born Assistant to the President for National Security Affairs Henry Kissinger recognized the front-line pivot of the Cold War that was Germany. Ever since its creation in 1949, the Federal Republic of Germany had been not only a dedicated ally in NATO and fully cooperative in various Western economic organizations, but its Christian Democratic government had always been hard-line and generally pro-Washington in its attitudes and policies on almost every aspect of East-West relations. Such a foreign policy orientation, known as the Hallstein Doctrine after Foreign Minister Walter Hallstein, was also congruent with the then American policy of holding East Germany and all of Eastern Europe at arm’s length.¹⁹ Thus, Kissinger’s initial reaction to the new policy of *Ostpolitik*, a post-Hallstein German foreign policy reversal designed to begin the process of normalizing relations with the states of Eastern Europe as well as with the Soviet Union itself, was sharply negative, and vehemently expressed to his staff. One senior assistant, Robert Osgood, recalled Kissinger’s attitude as one of “great fear and distrust of the Germans, particularly those who wanted closer relations [with the East].” Other staff members caught overtones of outright detestation of new Foreign Minister Willy Brandt and of the Grand Coalition junior partner Social Democratic Party more generally, which had joined the government in 1967 after having not been in power since the 1920s. Though President Nixon himself refrained from public criticism, occasionally there were slips. At the NATO twentieth anniversary celebration in Washington in April 1969, Nixon spoke out strongly in a semi-private meeting, warning against any NATO member nation getting into a “selective”

¹⁸ De Gaulle, 417.

¹⁹ William Bundy, *A Tangled Web: The Making of Foreign Policy in the Nixon Presidency* (New York: Hill and Wang, 1998), 110.

détente with the Soviet bloc of its own. Willy Brandt later responded, “put more plainly, this meant that Washington wanted to have the last word.”²⁰

Finally, although Nixon and Kissinger both had great admiration for the United Kingdom, the new American government recognized that Britain had long been in decline and was only a shadow of its former self, when compared to the prewar era in which “the sun never set” on the British Empire. The Conservatives under Harold Macmillan had failed to reorient British foreign policy toward Europe after the first British application to the European Community in 1963 was rejected by the veto of Charles de Gaulle, and then Harold Wilson and the Labor Party likewise failed in the second attempt to join the EEC in 1967. Economically, 1960s Britain was weakened to the point that successive governments of either party were desperate to gain entry to the European Economic Community, and at almost any cost. That would have been unthinkable only a decade earlier. However, Nixon recognized the important cultural ties to Britain, and it was important early in his new administration to remain close to the British government, which was discrete enough—whether run by Labor or the Tories—to be trusted as an intermediary through which a message could be passed to Moscow, or as a barometer for the rest of Europe. In addition, Nixon was always a great admirer of both Winston Churchill and the British parliamentary system, and made regular references—and occasionally long asides—to audiences large and small in the Oval Office regardless of the content of the meeting, even those on some obscure domestic policy. The Nixon tapes demonstrate the many ways that the president complimented the British, whether for their form of government, the “excellent” British foreign service, the monarchy, or the “high intelligence” of British leaders past and present. On occasion, Nixon ruminated, “wouldn’t it be great if the British were strong enough to play a bigger role in

²⁰ Bundy, 116-117.

the world. They're so Goddamn intelligent."²¹ In another example, when Nixon called Prime Minister elect Heath to congratulate him on his autumn 1970 electoral victory, Heath indicated that unlike the American system, he had only a few days to install a complete government that was to begin work the following week. The only response Nixon could muster was, "God, what a system!" Therefore, Nixon treated his British interlocutors as only one generation removed from the greatness of his greatest idol, Winston Churchill, someone with whom Nixon desperately but ultimately unsuccessfully tried to establish meaningful contact during Churchill's last years.

Nixon also supported British entry into the EEC. Although it could hurt the "special relationship" between the United Kingdom and the United States that had been maintained through good times and bad since World War II, Nixon supported British entry because Britain was not just a counterweight to France, but also because Britain was a fellow nuclear ally and a strong NATO partner. Keeping Britain close to Europe presumably meant that Europe would less likely develop an independent foreign policy, especially one that could run counter to American initiatives. Britain was important in Europe militarily in the same way that Germany was essential because of its economy as was France for its independent nuclear deterrent and its perennial desire for political leadership in Europe.²²

This was how the European stage had been set during the opening act of Richard Nixon's administration. These were Nixon's views of Europe, and these were Europe's views of Richard Nixon. It was on that basis that Nixon prepared for his 1969 summit tour, which began the last week of February 1969, on just Nixon's thirty-third day in power. The tour, though meticulously planned, did not get off to a good start. After Nixon's Chief of Staff Bob Haldeman overslept—a

²¹ Nixon Tapes, OVAL 582-9, Oval Office conversation between President Nixon and Sir Alexander F. Douglas-Home, Kurt George R.S. Baring, Henry A. Kissinger, Ron L. Ziegler, White House Photographer, Press, Alexander P. Butterfield, and Stephen B. Bull, September 30, 1971, 4:10 – 5:31 pm.

²² Max Beloff, *The Future of British Foreign Policy* (New York: Taplinger Publishing Company, 1969), 147-148.

rarity for Nixon's gatekeeper in chief—the departure for Brussels was delayed. When his absence was noted, a helicopter was sent to fetch him. “Here comes our slightly fallible drill sergeant,” said a smiling Henry Kissinger.²³ Nixon pretended not to notice, and instead continued to study the extensive briefing books that had been prepared for him for each stop on his tour.²⁴ After a brief stop at NATO to give a speech before the North Atlantic Council to reaffirm the American commitment to the defense alliance, Nixon arrived in London. There, the British government, in its preparations for the meetings between Prime Minister Harold Wilson and President Nixon, noted that “there has been [a] clear indication that [Nixon] means what he says about wanting to listen to European advice and views.”²⁵ Likewise, when a pajama-clad president consulted with Haldeman to get his view on the trip up to that point, Nixon had reinforced the point that the two major purposes of trip were “to establish with the free world leaders a clear picture of Nixon as the leader and to present to people of United States the clear picture of Nixon as [the] free world[‘s] leader.” Although many of the discussions that took place between the American president and his European colleagues covered routine topics that Nixon already knew, Nixon also selectively probed issues for which he did not ask the State Department to prepare briefings in advance. As a result, Prime Minister Wilson encouraged Nixon to approach the Soviets about weapons limitations talks, but Wilson also offered a prescient warning in the margins of his own record of the conversation that “without very full U.S. consultation, talks between the U.S. and the Soviet Union could cause problems within NATO.”²⁶ Likewise, after Nixon and his entourage arrived in Paris after being greeted, notably

²³ William Safire, *Before the Fall: An Inside View of the Pre-Watergate White House* (Garden City, NY: Doubleday & Company, Inc., 1975), 123.

²⁴ H.R. Haldeman, *The Haldeman Diaries: Inside the Nixon White House* (New York: G.P. Putnam's Sons, 1994) 32.

²⁵ PREM 13-3007, Telegram from Foreign and Commonwealth Office to British Embassy Washington, February 15, 1969, “U.S. Policy Towards Europe.”

²⁶ PREM 13-3383, “Extract from the record of a conversation between the Prime Minister and the president of the United States of America during and after dinner at Chequers on Monday, February 24, 1969.”

in English, by President de Gaulle, Nixon and de Gaulle had by far the most intimate discussions of the entire tour, which helped to put Franco-American relations on a whole new footing, at least for a handful of years.²⁷ Meeting face to face with the French head of state was the only satisfactory way for Nixon to grasp the true challenges faced by Europe, especially considering communication through the outgoing American Ambassador to Paris, Sargent Shriver, was not an option, since Shriver was someone Nixon referred to on more than one occasion as “a total jackass.”²⁸ Even long time Gaullist Michel Debré, in a later briefing of the Nixon-de Gaulle discussions for the other ambassadors of the EEC nations posted to Paris, noted that the new American president “was clearly favorably disposed towards the Europeans. This was shown in the fact that he had decided to diminish the United States commitments on the Continent and to give up trying to be the uncontested master of Europe in favor of becoming a genuine partner.” Since no aides were present during many of the Nixon-de Gaulle meetings, Debré must have been conveying the General’s views directly. Debré had even suggested that Nixon was someone who truly understood the French, and that the discussions with the General had been “assez réconfortantes.”²⁹

The 1969 Europe tour represented the opening act of Nixon’s globetrotting foreign policy. Although Nixon may be better known for finally bringing American combat to an end in Vietnam, or for his historic visits to China or the Soviet Union, the first act was about Europe. The secret negotiations that finally produced a ceasefire in Southeast Asia took place in Europe. Initial contacts with the Soviet Union on proposed arms limitations talks were made through Europeans. Early signals to the Chinese government that the United States was considering a

²⁷ Haldeman, 34.

²⁸ Nixon Tapes, WHT 31-81, White House Telephone conversation between President Nixon and Spiro Agnew, October 16, 1972, 5:59 – 6:08 pm.

²⁹ PREM 13-3008, Telegram from British Embassy Paris to Foreign and Commonwealth Office, March 7, 1969, “President Nixon’s Visit to Paris.”

reversal of its long-standing policy of non-recognition of the communist government in Beijing were sent through Europeans. Nixon's foreign policy was like a clock, and in early 1969 Nixon was the clockmaker, and the synchronous parts were entirely European. His experiences on the 1969 European summit tour informed his judgments about Europe, and confirmed his ideas about other parts of the world. It was that trip, and the issues that Nixon discussed with leaders such as Charles de Gaulle, Harold Wilson, and Kurt Georg Kiesinger that set in motion later successes and failures with respect to Vietnam, China, the Soviet Union, the Middle East, and even economic and monetary policy. In sum, Nixon's week in Europe set in motion the thrust of his next four years of work in foreign policy. Nixon was well-briefed during his 1969 European tour and carried, in addition to his thick briefing books, more than a few ideas of his own that he had not yet revealed. And it was on that trip that Nixon became reacquainted with the European leaders with whom he would work over the next five plus years.

France

It is no revelation that Charles de Gaulle had always been a figure of some controversy in the United States. At various times in his life he was called anti-American and at various times he accused Americans of being anti-French. That tension had been a mainstay of Franco-American relations since the end of World War II. Then, in 1945, while de Gaulle enjoyed celebrity status for his role as the resistance leader of Free France, his fickle popularity in the United States won him a ticker tape parade in Manhattan in August 1945. Yet, even while he was lauded as a hero, it was well known that President Franklin Roosevelt often referred to him as "the bride" or "Joan of Arc", and that de Gaulle had refused to meet the American president at Algiers earlier that year in February.³⁰

³⁰ Robert O. Paxton and Nicholas Wahl, *De Gaulle and the United States: A Centennial Appraisal* (Providence, R.I.: Berg, 1993), 4.

After de Gaulle stepped down in 1946, French foreign policy was basically run by two men, Robert Schuman and Georges Bidault. After Winston Churchill called for Franco-German reconciliation in his Zurich speech of September 1946, the Council of Europe was established in the fall of 1948, shortly after the Communists seized power in Czechoslovakia in March 1948.³¹ Even while de Gaulle was out of office during the failure of the European Defense Community in 1954 and a general escalation of tension in Algeria and Southeast Asia in late 1950s, the General continued to believe that in Europe it was the role of France and Great Britain “to guide the other nations towards a greater material development, a greater political maturity and a higher level of civilization.”³² After de Gaulle was returned to power as the first president of the Fifth Republic in 1959, he was firmly placed in the driver’s seat to implement his “certain idea of France.”

Initially, relations between the United States and France were good, but that certainly had something to do with the fact that retired General Dwight Eisenhower was in the White House. When Eisenhower landed in Paris for a state visit on September 1, 1959 with more than a million cheering French citizens on hand, de Gaulle welcomed him with the words: "Ah! How welcome you are! Whatever happens in the years to come, you will always be for us the Supreme Commander of the Armies of Liberty!"³³ However, de Gaulle had not been in position even three months before he made his first moves to distance himself from the postwar American protectorate. De Gaulle began withdrawing the French naval fleet from NATO, which he had always seen as a front for additional undesired American hegemony. That move marked the beginning of a process that would last nearly a decade and would ultimately remove all French forces from NATO’s integrated command. While the French withdrawal of a dozen ships was

³¹ Lord Gladwyn, *Europe After De Gaulle* (New York: Taplinger Publishing Company, 1969), 12.

³² Gladwyn, 38.

³³ Jean Lacouture, *De Gaulle : The Ruler, 1945-1970* (New York: Norton, 1992), 366.

not important, the gesture reflected a new era of French foreign policy that was impossible to miss.³⁴ After all, if de Gaulle was taken at his word, French forces would not be available to NATO even if a war broke out with the Warsaw Pact. Despite that, de Gaulle was still received with a hero's welcome during his visit to the United States in late April 1960. He was offered the rare invitation to address a joint session of Congress on April 25, during which he was given several long standing ovations.³⁵ It was also during that visit that de Gaulle first acquired a high opinion of Vice President Richard Nixon, an opinion that the French leader would have for the remainder of his life. On that visit, de Gaulle commented that Nixon was "one of those frank and steady personalities on whom one feels one could rely in the great affairs of State."³⁶

After the 1960 presidential election resulted in John F. Kennedy's ascendancy to the White House, the emerging struggle in transatlantic relations just two years after the Treaty of Rome had established the European Economic Community was whether the future of European integration would take leadership from France or from the United States. As early as 1960, de Gaulle had concluded that Great Britain could not take part in the EEC because of Commonwealth commitments, a conclusion which led to the beginning of a period of closer Franco-German ties.³⁷ A treaty affirming the amelioration in relations between the two nations was signed during January 1963. When the treaty coincided with the damning French veto of Britain's application for membership in the European Economic Community, the United States intelligence community was so concerned that it had even begun preparations for a Washington response in case a subsequent treaty between the French and the Soviets was agreed.³⁸ Fortunately, that never came to fruition, but nevertheless de Gaulle was at his peak of influence.

³⁴ Lacouture, 369.

³⁵ Lacouture, 369-370.

³⁶ Lacouture, 370-371.

³⁷ Gladwyn, 72.

³⁸ Brands, 89.

In particular after 1963—with the end of the Cuban missile crisis and Algeria out of the way, and with de Gaulle’s successful contacts with Soviet General Secretary Khrushchev—de Gaulle was able to more freely pursue an independent policy regarding both the Atlantic Alliance and Europe.³⁹

Meanwhile, in the United States President Kennedy still publicly spoke of de Gaulle with great respect.⁴⁰ However, that did not mean that there were not disagreements between the two men. De Gaulle, going against the wishes of European founding fathers—including Jean Monnet, Robert Schuman, and Paul Henri Spaak—had a different vision of Europe than did Kennedy or any European. De Gaulle sought to construct a Europe totally independent of the influence of both the United States and the Soviet Union, in which each European nation would retain its sovereignty and identity.⁴¹ But, de Gaulle soon had some setbacks in the pursuit of his Europe. First, West German Chancellor Konrad Adenauer, who had through his lack of objection permitted the French president to pursue political leadership in the European Economic Community, retired. Then, de Gaulle felt that Kennedy’s June 1963 tour of Western Europe overshadowed his own tour the previous year, even though de Gaulle had delivered his memorized speeches in German throughout West Germany while Kennedy failed to accurately deliver a single simple phrase in the language.⁴²

However, Charles de Gaulle was deeply saddened by the assassination of President Kennedy. Although earlier in the year he again went against *les Anglo-Saxons* in their pursuit of the nuclear test ban treaty with the Soviet Union, which de Gaulle refused to honor, de Gaulle was the first head of state to announce his intention to attend the Kennedy’s funeral in person. De

³⁹ Gladwyn, 61.

⁴⁰ Lacouture, 339.

⁴¹ Serge Bernstein and Pierre Milza, *Histoire de l’Europe contemporaine: de l’héritage du XIXe siècle à l’Europe d’aujourd’hui* (Paris, Hatier, 2002) 282-283.

⁴² Lacouture, 343.

Gaulle also gave a long tribute to the slain leader during the Council of Ministers meeting on November 23, 1963, unlike any offered to any previous foreign leader.⁴³ Despite de Gaulle's heartfelt tribute, Franco-American relations were headed toward an unknown destination after the sudden death of Kennedy and the growing intransigence of the French president. In fact, a few weeks before Kennedy's death, the American president had told a journalist covering the visit of French Foreign Minister Maurice Couve de Murville that "we confirmed, Mr. Couve de Murville and I, that we agreed on nothing."⁴⁴

Under those circumstances, Vice President Lyndon Johnson ascended to the White House. Worried about the increasingly standoffish French president, Johnson sought the guidance of American Ambassador to Paris Charles Bohlen. Bohlen reassured the president that de Gaulle was not France, whatever the General might think or hope. After all, de Gaulle had no heir committed to his policies, and despite the worst aspects of de Gaulle's seemingly anti-American sentiments, America remained well-considered in France by the majority of the population. Bohlen was also convinced that Washington could do little to improve relations with France until de Gaulle changed his mind or departed from the scene.⁴⁵ However, neither option seemed imminent to Johnson. Transatlantic relations worsened further after de Gaulle recognized the People's Republic of China in 1964, at a time when the United States was defending South Vietnam against Chinese aggression.⁴⁶ Within Europe itself, the integration movement stalled after France boycotted Council of Ministers meetings during 1965-1966, resulting in the creation of the Luxembourg Compromise, in which an EEC member state could veto any European

⁴³ Lacouture, 378.

⁴⁴ Robert O. Paxton and Nicholas Wahl, *De Gaulle and the United States: A Centennial Appraisal* (Providence, R.I.: Berg, 1993), 193.

⁴⁵ Brands, 90.

⁴⁶ Brands, 91.

directive deemed to violate “important national interests.”⁴⁷ Then, de Gaulle vetoed the second British attempt to join the EEC in 1967. As then British Ambassador to Paris Nicholas Soames indicated, “the image which the General was at pains to project during the latter part of his rule was that it paid off to be an *enfant terrible*. He could be as bloody-minded as he liked to the West as a whole and to America in particular.”⁴⁸

However, the primary consequence for de Gaulle of his obstinacy was that he became more and more isolated and further from implementing his vision of Europe than ever. Many of de Gaulle's policies would have made sense had they been pursued by a unified Western Europe, but they could not be pursued by a single leader whose one idea was to increase the glory and the interests of his own country at the expense of the interests of every other.⁴⁹ Likewise, as long as Johnson was in the White House, de Gaulle had little hope for a return to Franco-American dialogue like that during the Eisenhower or even the Kennedy days. De Gaulle even ordered the special hotline installed to connect him to Kennedy at a moment's notice in case of an emergency in Berlin or elsewhere disconnected.⁵⁰ American policymakers attempted to understand the motivations behind de Gaulle's seemingly erratic foreign policy, but to no lasting avail. Americans poured French wine into gutters while de Gaulle withdrew further from NATO and the West.⁵¹ Henry Kissinger later commented that de Gaulle's policy reflected, above all, a deep awareness of the suffering of his people over the span of more than a generation, and that de Gaulle judged the merit of a policy not only by technical criteria but also by its contribution to

⁴⁷ William C. Cromwell, *The United States and the European Pillar: The Strained Alliance* (New York: St. Martin's Press, 1992), 57.

⁴⁸ PREM 13-3016, Letter from Nicholas Soames, British Embassy Paris, to Dennis Greenhill, Foreign and Commonwealth Office, July 4, 1969.

⁴⁹ Gladwyn, 143.

⁵⁰ NSC Files, Box 1024, Memorandum of Conversation between President Nixon and President Pompidou, November 12, 1970.

⁵¹ Paxton and Wahl, 2.

France's sense of identity.⁵² Johnson attempted to improve transatlantic relations on more than one occasion, but the fruit from such efforts, in particular after the Soviet invasion of Czechoslovakia in August 1968, would not be reaped until Richard Nixon arrived at the White House.⁵³ Having nearly given up, Johnson admitted “I always had trouble with people like him, who let high rhetoric and big issues take the place of accomplishments.”⁵⁴

It was under these circumstances that Richard Nixon sought to redress transatlantic relations, and in particular Franco-American ties. Fortunately, Nixon already had the respect of de Gaulle, something Nixon’s immediate predecessor never had, and which Kennedy had earned only after his sufficiently hawkish performance during the Cuban missile crisis. Also, for de Gaulle, although he never strayed from his basic principles, with Nixon he did not press them as brutally as he had during the Johnson years, which had coincided with the peak of de Gaulle’s influence at home, within Europe, and abroad.⁵⁵ By the time Nixon was in the White House, perhaps de Gaulle recognized that he had become alienated from the United States and concluded that a major political change in Washington was the ideal time to improve relations with the minimum loss of face. Or, perhaps de Gaulle knew that he now had in the new American president someone who had always been a great admirer of himself, perhaps second only to Winston Churchill, and therefore someone with whom he could quickly establish a productive relationship. Besides, while Churchill’s influence on Nixon was limited to the body of writings he had left behind, de Gaulle could exert active persuasion.⁵⁶ Also, it was possible that De Gaulle to a lesser degree reciprocated Nixon’s admiration, as seen during Nixon’s state

⁵² Lacouture, 365.

⁵³ Thomas Schwartz, “Lyndon Johnson and Charles de Gaulle” in Pierre Melandri and Serge Ricard. *Les relations franco-américaines au XXe siècle* (Paris: L’Harmattan, 2003), 167.

⁵⁴ Paxton and Wahl, 259.

⁵⁵ Henry Kissinger, *The White House Years* (Boston: Little, Brown, and Company, 1979), 387.

⁵⁶ Franz Schurmann, *The Foreign Politics of Richard Nixon: The Grand Design* (Berkeley: Institute of International Studies, 1987), 22.

visit to France in February 1969. De Gaulle had once mused respectfully about Nixon that, “like myself, he has been an exile in his own country.”⁵⁷ After being greeted alone in English by de Gaulle at Orly airport, the private conversations between the French and American presidents—do to strict though, by the nature of de Gaulle’s greeting, selective adherence to French protocol, aides were not present because de Gaulle considered them non entities—were perhaps the most significant of Nixon’s entire presidency.

Held in lavish settings such as the Grand Trianon at Versailles and more importantly the Elysée Palace, Nixon, a student of history, was awed by the official residence that had served all presidents of the French Republic since 1879. Constructed in 1718, Nixon felt a sense of history when he stepped into the Salon d’Argent, where Napoleon had signed his final act of abdication in 1815. The records of the Nixon-de Gaulle discussions clearly establish that de Gaulle was the senior partner in the conversation, while Nixon worked hard to impress de Gaulle with his impressive *tours d’horizon*. Coming only months after the Soviet invasion of Czechoslovakia in August 1968, de Gaulle shockingly suggested to Nixon that the Soviets would reciprocate interest in arms limitation talks if Nixon were to make the first move. In fact, de Gaulle commented that he “did not feel that the Communists were advancing any longer,” even while CIA National Intelligence Estimates warned of the danger of Soviet missiles that had been installed in Czechoslovakia during the winter of 1968-1969 that were presumably aimed at the West. However, de Gaulle was resolute. “Certainly they [the Communists] were no longer advancing in France and in Italy, certainly not in Germany, nor in Poland, Hungary, or Czechoslovakia, not even in Russia,” he said. Although the danger of communism was far from over, de Gaulle was convinced that it could no longer conquer the world. “The dynamic is gone,”

⁵⁷ Frank Gannon, *The Richard Nixon/Frank Gannon Interviews* [online] (Athens, GA: University of Georgia), Day 9 Tape 3. Available from World Wide Web: (<http://www.libs.uga.edu/media/collections/nixon/index.html>).

he noted, and therefore he encouraged the Americans to begin dialogue also with the Chinese, before their growing power left them no choice in the future.⁵⁸ De Gaulle pointedly asked, "Well, what are you going to do? Are you going to break down the Berlin Wall? If you're not ready to make war, make peace, but make it on a very strong basis, from strength rather than from weakness."⁵⁹ De Gaulle spoke like a philosopher, which mesmerized Nixon. At the same time, de Gaulle also exuded toughness, which Nixon respected. This discussion confirmed further for Nixon that the American policy of restraining de Gaulle was no longer needed. Much to the contrary, their renewed relationship was ideal for Richard Nixon. The White House could work on relations with the Communist world and safely retain de Gaulle's advice and experience. Like Nixon, de Gaulle also preferred secret diplomacy, so they were both assured that the content of their far-ranging discussions never leaked. De Gaulle probably also enjoyed exercising influence again, and on someone no less than the president of the United States. As the headline of the March 4, 1969 edition of *Le Monde* noted, "Le General de Gaulle a trouve l'interlocuteur American qu'il souhaitait depuis longtemps."⁶⁰

After Nixon's visit to France, indeed American policy began to shift, and de Gaulle further reciprocated. At the end of March 1969, the death of former President Eisenhower brought Charles de Gaulle to Washington for the funeral. He arrived wearing the uniform of a French brigadier general, and Nixon and de Gaulle met in the Oval Office for what would be their last meeting.⁶¹ Nixon notably lifted the taboo on discussing the French *force de frappe* and

⁵⁸ NSC Files, Box 1023, "Memorandum of Conversation between Charles de Gaulle and Richard Nixon, Grand Trianon Palace, Versailles," March 1, 1969.

⁵⁹ Gannon, Day 9 Tape 3.

⁶⁰ Maurice Ferro, *De Gaulle et L'Amérique, Une Amitié Tumultueuse* (Paris: Plon, 1973), 428.

⁶¹ Kissinger, 384.

even agreed to take a fresh look at the question of bilateral military cooperation with France.⁶² Of course, such cooperation would be with de Gaulle's successor. The General suddenly resigned on April 28, 1969, after a failed referendum that de Gaulle had staked his reputation on. Much like a parliamentary vote of no confidence, he felt his honor had been lost, and he quickly departed from the scene. If for no other reason, Nixon was shocked by this brisk turn of events because he knew de Gaulle was fond of saying that although he was 70 years old and therefore that prompted questions of his retirement, "Victor Hugo and Goethe continued their work until their eighty-third year."⁶³ Henry Kissinger later commented on de Gaulle's resignation that "both Nixon and I had sympathized with de Gaulle's quest for an autonomous French voice in defense and foreign policy." When it became clear that former Prime Minister Georges Pompidou would likely succeed de Gaulle, Kissinger noted that Pompidou was "wise, erudite, and balanced...Pompidou pursued de Gaulle's policies without the great man's aloof condescension."⁶⁴

Charles de Gaulle left the Elysée for the last time for his home in Colombey in the early hours of April 28, 1969, and issued the following statement: "I am ceasing to exercise my functions as President of the Republic. This decision takes effect at midday today." Of the flood of personal letters that he received at home, the most moving was from Lady Churchill, to whom he wrote every year on the anniversary of her husband's death.⁶⁵ The General's long-time aide Pompidou did in fact become the presidential candidate of the Union for the Fifth Republic. De Gaulle did not actively support him, but he did send him a letter a few days after de Gaulle

⁶² Georges-Henri Soutou, "Georges Pompidou and U.S.-European Relations" in Marc Trachtenberg, ed., *Empire and Alliance: American and Europe During the Cold War* (Lanham, MD: Rowman & Littlefield Publishers, Inc., 2003), 160.

⁶³ De Gaulle, 417.

⁶⁴ Henry Kissinger, *Years of Renewal: The Concluding Volume of His Memoirs* (New York: Simon and Schuster, 1999), 604.

⁶⁵ Bernard Ledwidge, *De Gaulle* (New York: St. Martin's Press, 1982), 372.

retired to Colombey, which he asked Pompidou to keep private. In it he stated that Pompidou was entitled to expect the General's support for his candidacy. De Gaulle stated that he did in fact approve it, although he would not participate in the electoral campaign. Pompidou thus benefited from the private certainty that the General would not say or do anything to spoil his chance in the election. The letter was published after Pompidou's death in 1974. De Gaulle never received a single member of Pompidou's government and instead focused most of his energy writing his memoirs.⁶⁶

Critics of de Gaulle and his hasty abdication commented that the General had always been more impressive for who he was than for the little that he had actually achieved.⁶⁷ However, Nixon continued to court him, writing to him "putting it in blunt terms—in this age of mediocre leaders in most of the world—America's spirit needs your presence." The letter was hand-delivered by trusted aide Vernon Walters, who waited for de Gaulle's response. De Gaulle read it and said, "he is a true comrade." He returned Nixon's letter the same day, reassuring Nixon that "perhaps one day I will have the occasion and the honor to see you again; in the meantime, I send you from the bottom of my heart all my best wishes for the successful accomplishment of your immense national and international task." That was the last communication Richard Nixon would ever receive from Charles de Gaulle, who was, in the words of Andre Malraux, "a man of the day before yesterday and the day after tomorrow."⁶⁸

On June 1, 1969, on the first electoral tour, Georges Pompidou obtained an unpredicted 43.95 percent of voters, and went on to win the run-off against Alain Poher on June 15, winning 57.6 percent of the vote. Even the General did not receive as high a tally during the last election

⁶⁶ Ledwidge, 373.

⁶⁷ Francois Mitterrand, *The Wheat and the Chaff* (New York: Server Books, 1982), 6.

⁶⁸ Richard Nixon, *Leaders* (New York: Warner Books, Inc., 1982), 79.

held December 1965.⁶⁹ Taking office on June 20, the new president continued the good relations that had already been established with the Nixon White House, while also taking a softer line on issues such as the admission of Britain to the EEC and maintaining American GIs in Europe.⁷⁰ One reason Pompidou was not as rigid as de Gaulle had been about British EEC membership was that Pompidou seemed to be less preoccupied with preventing Britain's entry than with preventing a Europe without Britain in which Germany could take greater control. After all, Pompidou was very concerned about the growing German preoccupation with normalizing relations with the East.⁷¹ Attempting to distance himself from de Gaulle, Pompidou was fond of saying that of all the Gaullists, he was "the most easy going, the least passionate, and the most patient."⁷² But, Pompidou also knew he had to take his own positions, even if he did not have the stature of de Gaulle. "Now, I must find my own style," he said. "And that will not be easy. I am not a personal of historic significance and I am not evidently going to imitate the General."⁷³

However, one way in which he imitated de Gaulle was to openly work to maintain good relations with the United States. At his first press conference, in a response to a question that suggested that Franco-American relations had deteriorated during the late 1960s, Pompidou shrugged off the question. "I think that people have exaggerated a little bit...the conversations that President Nixon and General de Gaulle had in Paris some time ago, have, in this matter, marked a turning point or, in any case, brought things back to their right proportions."⁷⁴

Pompidou was also anything but disloyal to the legacy of de Gaulle. Ever since August 1944 when he first saw de Gaulle marching down the Champs Elysees with George Bidault and

⁶⁹ Philippe Alexandre, *Le Duel De Gaulle – Pompidou* (Paris: Éditions Bernard Grasset, 1970), 399.

⁷⁰ Soutou in Trachtenberg, 161.

⁷¹ NSC Files, Box 15, undated study on U.S.-Europe policy options.

⁷² Philippe Alexandre, *Chronique des Jours Moroses, 1969-1970* (Paris: Solar, 1971), 12.

⁷³ Alexandre, *Chronique des Jours Moroses*, 163.

⁷⁴ Ambassade de France, *Press Conference of Georges Pompidou, President of the French Republic, at the Elysée Palace, July 10, 1969* (New York: Service de presse et d'information, 1969), 6.

Generals Leclerc and Keonig in celebration of a newly liberated Paris, along with millions of other Frenchmen and –women Pompidou could do nothing but stare at that legend of a man.

Pompidou came from a simple background, from central France. His father’s family was entirely peasants, while his mother’s family was peasants and tradespeople.⁷⁵ Coming of age, he learned Greek, Latin, English, German, and Spanish, and enjoyed the classics, later referring to himself as “my own minister of cultural affairs.” He also brought to the presidential palace modern paintings by Max Ernst and Nicholas de Staël, which should leave no doubt why due to his love of modern art that a museum would be later commissioned in central Paris in his own name.⁷⁶

Pompidou became one of Nixon’s main collaborators in transatlantic relations, also serving from 1969 to 1974, but Pompidou exerted much less influence on Nixon than de Gaulle. Pompidou was a conduit and was very helpful in areas such as discretely facilitating Henry Kissinger’s travel for the Vietnam peace talks held in Paris, but by the time Pompidou came to power, Nixon’s foreign policy had for the most part already been set in motion. Nixon saw Pompidou, who was already surrounded by rumors that his health was not good, as a transition president, after the long and tumultuous rule of de Gaulle. Pompidou’s role was that of a pragmatic genius who tried to accomplish as much as he could during the short time that even he seemed to know was limited from the outset.⁷⁷ And, Pompidou enjoyed some measure of success. He ended the stalemate in the EEC by allowing Britain to join, and from 1969 to 1973, the French economy grew at a faster rate than almost anywhere else in the industrialized world, with the service sector advancing by 40 percent, agriculture 50 percent, and exports nearly doubling.⁷⁸

⁷⁵ Ambassade de France, *Georges Pompidou, A Profile* (New York: Service de presse et d’information, 1970), 1.

⁷⁶ Ambassade de France, *Georges Pompidou, A Profile*, 33.

⁷⁷ Maurice Schumann, “Témoignage sur l’identité européenne” in Association Georges Pompidou, *Georges Pompidou et l’Europe: Colloque, 25 et 26 novembre 1993* (Paris: Éditions Complexe, 1995), 137.

⁷⁸ Association Georges Pompidou, *Georges Pompidou Hier et Aujourd’hui: Colloque, 30 novembre et 1^{er} décembre 1989* (Neuilly-sur-Seine: Editions Breet, 1990), 251.

In a certain sense, though, Pompidou did labor to please de Gaulle, ever since the two parted on uneasy terms in 1968. Pompidou often gazed at his photograph of de Gaulle on his desk, which had been dedicated long before “à mon compagnon, mon ami, pour toujours.”⁷⁹ However, Pompidou also knew, as Malraux had pointed out, coming after de Gaulle, “one does not succeed a man like him. One can only follow him.”⁸⁰

Pompidou’s first two years in office set the stage for Franco-American relations for the remainder of time that he and Richard Nixon were in power. When at the EEC summit held at The Hague in December 1969 Pompidou made a speech indicating that the French might accept British entry into the EEC, de Gaulle heard the news on the radio and shook his head with a sardonic smile. “Ce pauvre Pompidou,” he murmured. The General could see him yielding to the British as easily as Pompidou had done to the students and the strikers in May 1968. While some commentators said that Pompidou would never permit British entry while de Gaulle was still alive, the General’s response was, “I am not immortal, you know.”⁸¹ In fact, when Pompidou had received British Ambassador to Paris Christopher Soames on October 10, 1969, the French president was quick to convey to him that the previous vetoes on the British application were not his idea.⁸² The rest was history, and Britain joined the European Community on January 1, 1973, even if Pompidou exerted little other collegiality in a Europe that had great difficulty coming to common positions when serious issues close Pompidou’s heart arose, such as the collapse of Bretton Woods in 1971, or the British renegotiation of the terms of membership in the EC, which began in 1974.

⁷⁹ Michel Jobert, *L’Autre Regard* (Paris: Bernard Grasset, 1976), 87.

⁸⁰ Pierre Galante, *The General!* (New York: Random House, 1968), 241-242.

⁸¹ Ledwidge, 375.

⁸² Eric Roussel, *Kurt Georges Pompidou, 1911-1974* (Paris: J.C. Lattès, 1994), 335.

In February 1970, Georges Pompidou made the visit to the United States that the General had promised he would make to Richard Nixon in May 1969. Pompidou had actually never met Nixon before. The French president had made the acquaintance of General Eisenhower when he was at SHAPE, and he had met President Kennedy when he came to Paris. However, he had never met President Johnson, or Nixon. But, from all Pompidou had heard about Nixon he felt that “he [Pompidou] and Nixon had much in common.”⁸³ Although Pompidou’s visit to the United States came at the worst possible moment, as the weeks that preceded it involved bombings in Egypt, Syria, and Israel, Pompidou did not want to take any chance that good Franco-American relations could again be permitted to deteriorate.⁸⁴ Taken as a whole, ties between Paris and Washington continued to improve during 1970-1971, especially on European issues. Most importantly, both leaders felt it was important to pay close attention to the development of German Chancellor Willy Brandt’s *Ostpolitik* due to a shared concern that Germany might give away too much to the Soviets.⁸⁵ As a result, relations between France and Germany which had become so close in the early 1960s went through a difficult period with Pompidou and Brandt in power, while relations between France and the United Kingdom were probably the best they had been in two decades.⁸⁶ Military affairs also developed favorably between France and the United States. On March 10, 1970, following Pompidou’s trip to America, on Kissinger’s advice Nixon approved a whole series of measures. American General Andrew Goodpaster was authorized to explore with French General Fourquet all practical ways of improving bilateral cooperation with the French armed forces. They also discussed how plans

⁸³ NSC Files, Box 1024, Memorandum of Conversation between Henry Kissinger and President Pompidou, November 12, 1970.

⁸⁴ Jobert, 133.

⁸⁵ Soutou, in Trachtenberg, 165.

⁸⁶ British National Archives (PRO), Files of the Foreign and Commonwealth Office, FCO 55-1230, “Visit of Kurt Georges Pompidou, President of French Republic, to the UK, 16-17 November 1973: energy briefs.”

for the use of strategic nuclear forces might be coordinated, taking care to respect the French decision of rejection of the principle of “integration” in NATO.⁸⁷ During those talks that were held February 24-26, in a shift in American policy, Nixon commented on more than one occasion that “I am convinced that a strong and independent France is a favorable element to the interests of the United States.”

After that visit, the next high level, if brief, dialogue between France and the United States occurred during the visit of Richard Nixon to Paris for the funeral of Charles de Gaulle, on November 12, 1970. On that day, more of the world’s leaders—63 heads of state in all—converged on Paris than on any occasion previously. Less than two weeks before his eightieth birthday, Charles Andre Joseph Marie de Gaulle was dead, and was honored by a simple ceremony at Notre Dame.⁸⁸ According to his wishes, his tombstone read simply, “Charles de Gaulle, 1890-1970.” After the death the previous year of President Eisenhower, on this occasion of the memorial service for de Gaulle, Pompidou said to Nixon that they were both “enfin seuls.”⁸⁹ As de Gaulle had been the first head of state to confirm his attendance at Eisenhower’s funeral, Nixon reciprocated and was the first head of state to confirm that he would attend the service at Notre Dame in person. In fact, the moment that Nixon learned of de Gaulle’s death in Washington from Henry Kissinger, he knew he must attend to honor the fallen leader to whom Nixon owed so much for all of the valuable guidance over the years both in office and out. On de Gaulle’s legacy, Nixon later commented that despite his controversial style, that “without de Gaulle, France would never have recovered its spirit after the terrible defeat of World War II...he was a massive personality on the post-war scene, an intellect of unquestioned superiority, a man of supreme eloquence, a man who understood symbolism and modern communication, a

⁸⁷ Soutou, 166.

⁸⁸ Nixon, *Leaders*, 40.

⁸⁹ Nixon, *Leaders*, 386.

man that was bigger than France, bigger than his own country, one that everybody could recognize as a giant, even though they might have disagreed with him bitterly.”⁹⁰

That was the relationship that Richard Nixon both inherited and fostered with France during his first two years in power. There was renewed warmth, an end to the open division that was commonplace in the 1960s, and Nixon had even relied directly on advice from de Gaulle for feedback on proposed foreign policies during Nixon’s European summit tour in 1969. Although today there is no prominent *rue* in Paris named for Nixon, unlike other Americans such as Eisenhower, or Kennedy, Roosevelt, or Wilson, among others, even in the depths of Watergate, perennial candidate for the French presidency and leader of the Senate Alain Poher once said to Nixon that “no president of [the] U.S. since Eisenhower had been a better friend of France.”⁹¹ Certainly, Franco-American relations during the rule of Richard Nixon had ups and downs, but for a brief while relations were as good as they had been in the entire postwar period.

Germany

Although at the time of Richard Nixon’s inauguration Kurt Georg Kiesinger was Chancellor of West Germany, the main German collaborator with whom Washington would work between 1969 and 1974 was Willy Brandt. As leader of the Social Democratic Party, Brandt had been Kiesinger’s junior partner in a coalition government since 1967, which marked the first time that Brandt’s party had been in power since the interwar years. Brandt’s life had been marked by courageous personal conduct, going back to the days when he was governing mayor of West Berlin, when he appeared as an obscure figure in the famous photographs of President Kennedy peering over the Berlin Wall in 1963. As a young man from a poor background, Brandt came of age in Germany between two seismic world wars in an atmosphere

⁹⁰ Gannon, Day 9 Tape 3.

⁹¹ NSC Files, Box 56, Telegram from Brent Scowcroft to the White House Situation Room for Secretary Kissinger, April 6, 1974, “President’s Meeting with Acting President Poher.”

of deep frustration and sullen anger. The Germany of his youth bitterly resented a lost war and a Treaty of Versailles that it regarded as unjust. The nation was racked by internal divisions and the economic catastrophes of the 1922-1923 inflation, and the chronic state of crisis that began in 1929. Then, in his late teenage years Brandt was active in the Socialist opposition to Hitler and forced to flee to Norway in 1933. From there he remained active in anti-Nazi activities through the 1930s, taking Norwegian citizenship and fleeing again, to Sweden, when Hitler occupied Norway in 1940. Brandt returned after the Second World War to become a citizen again of Germany, a country that was destitute, despised and divided.⁹² He became active in Social Democratic politics and was a protégé of Ernst Reuter, the heroic Socialist mayor of Berlin during the 1948-1949 blockade. Becoming mayor himself in 1957, Brandt rallied Berliners with a stirring address in August 1961, after the West's initial failure to respond to the erection of the Berlin Wall momentarily demoralized the city and turned it against the West. His party increased in power through the early 1960s, and although it lost the federal elections in 1961 and 1965, it did so by successively narrower margins.⁹³

Joining the "Grand Coalition" government with the CDU in 1967, Brandt became Vice Chancellor and Foreign Minister. He became known to some, such as British Prime Minister Harold Wilson, as "honest and subtle and much less tricky than Kiesinger."⁹⁴ In his new position, Brandt staked out clear-cut differences from the conservatives over policy toward Eastern Europe. His long-standing advocacy of an *Ostpolitik* in which he sought to mend ties with the East rather than advocate non-recognition, reached the point where he made clear that he was prepared to deal with the East German regime and would go on from there to deal with the

⁹² Terence Prittie, *Willy Brandt: Portrait of a Statesman* (London: Weidenfeld and Nicolson, 1974), 201.

⁹³ Bundy, 117.

⁹⁴ NSC Files, Box 1023, Memorandum of Conversation between President Nixon and Prime Minister Wilson, January 27-28, 1970.

Soviets. It became clear to Brandt and his assistant Egon Bahr—Brandt's *éminence grise*—after witnessing the suppression of uprising in East Berlin in 1953, the crushing of the Hungarian revolt in 1956, and the disturbances in Poland the same year that the true source of the tension came from Moscow, so therefore any plan to normalize relations with the East had to include the Soviet Union.⁹⁵ In effect it was a policy that recognized East Germany as a reality after nearly twenty-five years and accepted the status quo in Eastern Europe, which also meant accepting the permanent loss of the former German territories east of the Oder and Neisse rivers, which had been liberated by the Soviets at the end of the war and given to Poland. Brandt, while fully recognizing how important NATO and the United States in particular were for the Federal Republic, believed that easing tensions with the East was not inconsistent with traditional German foreign policy. Having witnessed first hand the division of Berlin, Brandt desired the reunification of Germany more than anything, even if he knew that speaking of such a desire would only exacerbate East-West tensions. Moreover, he sought these goals while divided Germany was only a semi-sovereign state, which legally required approval from the Four Powers, even for far less ambitious policies than dealing directly with the Soviet Union. However, Brandt was convinced that the Federal Republic was now confident enough to make foreign policy on its own and avoid damaging concessions to the Soviet Union. Brandt had made all of these views clear even before becoming Chancellor.

Most of all, when Brandt began his initiatives with the East, he did so with the blessing of the United States. It was President Kennedy who had provided Brandt's orientation on the American concept of *détente* while he was mayor of Berlin. American policy then was that the United States was willing to accept the status quo in Berlin, as long as security guarantees were

⁹⁵ David C. Geyer and Bernd Schaefer, eds., *American Détente and German Ostpolitik, 1969-1972* (Washington, DC: German Historical Institute, 2004), 137.

enforced. Later, President Johnson also encouraged détente with the East. Brandt met Johnson and Secretary of State Rusk in February 1967, and both Americans again emphasized the necessity of improving relations with the East. And, a few months later, Johnson told two German journalists that the German government did not need to ask permission for any *Ostpolitik* initiative.

During the fall 1969 West German elections, Richard Nixon and Henry Kissinger followed the campaign closely, hoping that another victory for Kiesinger that would slow down or abort Brandt's *Ostpolitik*.⁹⁶ Brandt was also careful to downplay his new Eastern ambitions, and to broaden his electoral portfolio he established new pro-Europe credentials. In other words, if both East and West were not quite ready for German leadership in foreign policy, Brandt knew he could instead exert such leadership through the vehicle of Europe, especially with de Gaulle departed from the scene. That is why he vociferously supported the EEC candidacy of Great Britain, because Brandt thought the admission of the United Kingdom would dilute French concerns over *Ostpolitik*.⁹⁷ Therefore, after the sixth West German election on September 29, although Kiesinger's CDU had a slight advantage in terms of raw votes with 46.1 percent to the Social Democratic Party's 42.7 percent, Kiesinger knew that coalition with the FDP, the likely partner, would be even more difficult than another grand coalition with the Social Democratic Party. The FDP, which had captured 5.8 percent of the vote, contained many left-wing younger members, including neo-Marxists according to Kiesinger, while most of its older members remained on the right. In addition, many of its foreign policy ideas were unclear, such as on the important issue of the recognition of East Germany.⁹⁸ In the end, the smallest of the three major

⁹⁶ Bundy, 118.

⁹⁷ Hans Arnold, interview by author, Toledo, OH, October 17-18, 2005.

⁹⁸ NSC Files, Box 1023, "Memorandum of Conversation between President Nixon and Chancellor Kiesinger", August 7, 1969.

parties, the FDP, agreed to a coalition with Willy Brandt, leaving the Social Democratic Party with the greatest number of seats held in the Bundestag, 251 to 235.⁹⁹ With the partnership of the FDP, Brandt had three more votes than the 248 that marked exactly half of the Bundestag. He was fond of saying that was “300 per cent of Adenauer’s majority.” He was correct. *Der Alte’s* majority after the first Bundestag elections of 1949 was exactly one seat.¹⁰⁰ Unfortunately, Nixon failed to appreciate the finer points of coalition governments, and he mistakenly called Kiesinger and congratulated him on his non-existent victory. Nixon later told Brandt on his first visit to Washington that he had been given the wrong phone number by an aide.¹⁰¹

Once in office, Brandt left no confusion about his Eastern ambitions. Writing a book on the subject, Brandt stated that “accommodation with our Eastern neighbors is a high-priority aim of German foreign policy. We wish to improve our economic and cultural relations and also to initiate diplomatic relations with them wherever circumstances make this possible.”¹⁰² Brandt was always quick to point out that in order to overcome the division in Europe, the division in Germany must also be overcome.¹⁰³ In fact, the division of Germany was more than a wall that had been erected in Berlin. The division impeded daily life. No ordinary German could travel from East to West, except by risking their lives. Movement from West to East was also desperately restricted. West Germans could still theoretically travel in East Germany, but West Berliners could not enter East Berlin. They could not even telephone to East Berlin. For ordinary people there were no telephone connections at all until 1970.¹⁰⁴

⁹⁹ Karl Dietrich Bracher, *The German Dilemma: The Relationship of State and Democracy* (New York: Praeger Publishers, 1975), 227-228.

¹⁰⁰ Prittie, 223.

¹⁰¹ Willy Brandt, *My Life in Politics* (London: Hamish Hamilton, 1992), 171.

¹⁰² Willy Brandt, *A Peace Policy for Europe* (New York: Holt, Rinehart and Winston, 1969), 104.

¹⁰³ Timothy Garton Ash, *In Europe’s Name: Germany and the Divided Continent* (New York: Random House, 1993), 23.

¹⁰⁴ Garton Ash, 139-140.

To pave the way for Brandt's eastern policy, he soon agreed to sign the Non-Proliferation Treaty, a treaty that Adenauer had said was worse than the Treaty of Versailles. However, it was a pre-requisite for Moscow, which still harbored some fears of an eventual German rearmament, considering Brandt's unclear long-term intentions. At times, Washington was also not quite sure what made Brandt tick. He had an unusual background, had a colorful personal life, and was never far from the source of rumors. In an attempt to understand the new Chancellor, the American Embassy in Bonn regularly updated a personality sketch of Willy Brandt, which is fascinating reading. It notes that Brandt as a "complicated man who has personally experienced in one way or another most of the great traumatic events of our time." Although in his adult years he had shifted to the center of the political spectrum, unlike some of his Social Democratic colleagues, "he remains a man of many moods and complexes, some of them undoubtedly buried deep in the experience of his past." The Embassy and the Bonn diplomatic community took some measure of interest in Brandt's personal life as well:

Given his background and personal habits...frequently centering on his drinking habits and alleged difficulties with his handsome and intelligent Norwegian wife...there has undoubtedly been some truth to these stories. But many times in the past...the Chancellor has shown a capacity to pull himself together just when things seem to be falling apart and to find enough energy for a further sustained effort under conditions of relative temperance. The all-night working habits of the Berlin City Hall during the crisis years when he was governing mayor were a poor preparation for running a national government in terms of orderly personal and bureaucratic processes. Brandt is definitely not a morning person, as many chagrined interlocutors have learned to their sorrow when confronted before noon merely with a few grunts and long embarrassing silences.¹⁰⁵

Moreover, the criticism did not end with his personal habits. The Americans also claimed that Brandt's personal problems spilled over into his work in the Chancellor's office, where "Brandt and his inner circle are content to sit around at the end of the day over cognac and philosophize

¹⁰⁵ National Archives and Records Administration (NARA), Record Group 59, State Department Central Foreign Policy Files (CFPF), Telegram from American Embassy Bonn to the Secretary of State, "Chancellor Before His Visit to Washington", April 17, 1973, Bonn 5612.

about what should be done. But there is nobody, apart from a few party workhorses willing to go out and get their hands dirty.”¹⁰⁶

Although Richard Nixon and Henry Kissinger were from the other side of the political spectrum, Brandt claimed to admire them. For example, both the Social Democrats and the FDP in Germany were impressed by Nixon’s relatively free and flexible foreign policy as manifested by his desire for rapprochement with Moscow and Peking.¹⁰⁷ In his memoirs, Brandt later commented, “to me, Nixon was not just another partner in the field of foreign policy but, in virtue of my country’s special interests, the most important partner of all and the one whose opposition could have nullified our policy of compromise, normalization and active peace-keeping.”¹⁰⁸ West German leaders also worked hard to reassure Americans that *Ostpolitik* was in fact firmly rooted in the Western alliance and the growth of the policy was a natural progression from its origins in the 1950s.¹⁰⁹ However, Nixon and Kissinger, working on their own set of secret negotiations with the Soviet Union, continued to have “grave reservations.” This point of view was shared by the Pentagon and some sections of the State Department, although the American embassy in Bonn gave full support to the Brandt government. In the United States, opposition to *Ostpolitik* also came from conservative Congressmen and luminaries such as John J. McCloy, Lucius Clay, Dean Acheson, and George Ball, who had shaped postwar policy in Germany.¹¹⁰ The first contact between the White House and the Brandt government was early, on October 1, 1969. Henry Kissinger talked to Egon Bahr on the phone and apologized for President Nixon’s earlier call to Kiesinger. Overlooking that error, Bahr had three items on the

¹⁰⁶ CFPF, Telegram from American Embassy Bonn to Secretary of State, “The Sad State of the German Chancellery”, October 24, 1973, Bonn 15338.

¹⁰⁷ Willy Brandt, *People and Politics: The Years 1960-1975* (London: Collins, 1978), 279.

¹⁰⁸ Brandt, *People and Politics*, 281.

¹⁰⁹ Helmut Schmidt, “Germany in the Era of Negotiations.” *Foreign Affairs* 49 (October 1970): 44.

¹¹⁰ Gottfried Niedhart, “The Federal Republic’s Ostpolitik and the United States: Initiatives and Constraints” in Kathleen Burk and Melvyn Stokes, eds., *The United States and the European Alliance since 1945* (Oxford: Berg, 1999) 291-292.

agenda for that conversation. First, he announced that the Brandt government would make foreign policy with a greater degree of independence, and that Bonn would not ask every two months whether the American ally “still loves us.” Kissinger responded, “Thank God!” Next, Bahr announced that Bonn was willing to sign the Non-Proliferation Treaty. Finally, Bahr stated Bonn’s first *Ostpolitik* move would be to work with Moscow toward an agreement on the renunciation of force. According to Bahr’s record of the conversation, Kissinger in fact blessed the proposal, and stated “your success will be our success.” Kissinger also proposed to establish a “back channel” so that the two governments could stay in very close contact.¹¹¹

The second major foreign policy move that the Brandt government made during its first year in office was toward the European Economic Community, and in particular the support of the candidacy of the United Kingdom to the EEC. Along with the resignation of Charles de Gaulle which had brought the more conciliatory Georges Pompidou to power, the election of Willy Brandt almost guaranteed the admission of the UK. With Pompidou having not supported de Gaulle’s two vetoes of the British applications for membership in 1963 and 1967, the French President sought to curtail the new Brandt government and its ambitions to establish relations with Eastern Europe. Both Germany and France now saw it in their interests to allow Britain to join Europe. If there was one thing than France detested more than the Soviet Union, it was German leadership in Europe, reunified and rearmed. Therefore, French support of the UK in the EEC was seen as allowing an old enemy in, but an old enemy that shared some of the same concerns about an even bigger and more recent enemy, Germany. And, at the EEC heads of state conference at The Hague on December 1-2, 1969, Pompidou admitted that he may be willing to discuss expansion of the EEC. In the 600 year old Ridderzaal, part of the architectural complex

¹¹¹ Niedhart in Burk and Stokes, 294.

occupied by both chambers of the Dutch parliament, Brandt seized the moment.¹¹² During a speech on December 1, Brandt stated “it serves our mutual interests if the Community expands at a time in which we are making efforts to get West and East closer together... I say that without England and the other nations, which are willing to join, Europe cannot be what it should be and what it can be.”¹¹³ With Pompidou on the fence, Germany strongly supporting Britain, and numerous other smaller nations either indifferent or in support of Germany’s position of allowing Britain in after the shared memory they had of de Gaulle and the “empty chair” crisis, it was agreed in principle that work would commence to admit the United Kingdom, Denmark, and Ireland.

Relations with the United States also continued well, but certainly had uneasy moments. For example, the degree to which Richard Nixon interfered in the domestic politics of Germany between 1970 and 1972 to keep the Brandt government together is still not entirely known. Numerous times, opposition CDU leader Rainer Barzel threatened to stall, or bring down a measure of the Brandt government in the Bundestag. Whenever Nixon felt Barzel was close to pulling down Brandt, he went into action. On April 10, 1970 Nixon said point-blank to Barzel that he had confidence in Brandt’s policy, a statement that was usually meant for the press because it would surely be passed onto the Bonn media.¹¹⁴ When Barzel visited Nixon at his home in San Clemente in September 1970, Nixon again reassured him of his support for Brandt. This visit had occurred after Barzel had had a difficult time holding his party together after the Brandt government signed a treaty with Moscow on August 12, 1970.¹¹⁵ Extremely controversial in Germany, the treaty spelled out that both nations would accept the current borders in Eastern

¹¹² Brandt, *People and Politics*, 245.

¹¹³ Carl-Christoph Schweitzer, et al., eds. *Politics and Government in Germany, 1944-1994: Basic Documents* (Providence: Berghahn Books, 1995), 137.

¹¹⁴ Brandt, *My Life in Politics*, 176.

¹¹⁵ Berstein and Milza, 291.

Europe: “the Federal Republic of Germany and the Union of Soviet Socialist Republics share the realization that peace can only be maintained in Europe if nobody disturbs the present frontiers. They undertake to respect without restriction the territorial integrity of all States in Europe within their present frontiers.”¹¹⁶ Of course, the treaty had not been ratified yet by the Bundestag, so Barzel again threatened to bring the Brandt government down. In March 1971, Willy Brandt wrote a long letter to John J. McCloy, one of the founding fathers of the Federal Republic of Germany and known for his skeptical attitude towards *Ostpolitik*. Brandt argued that *Ostpolitik* meant a decisive turn in dealing with the German question and the postwar status quo. By accepting the existing European borders and, consequently, by improving East-West relations, the financial burdens and military dangers of the confrontation between East and West were reduced.¹¹⁷ Again, Nixon summoned Barzel, this time to the Oval Office. On April 14, 1971, Nixon pleaded with Barzel to not allow the CDU to go against *Ostpolitik*. Barzel later admitted that without the direct intervention of the American president, “without this meeting there would have been the danger of an open domestic confrontation with our Government on Berlin and on the treaties.”¹¹⁸ And, when Nixon met with Brandt the following month, he again encouraged the German Chancellor. Nixon stated, “I think that a divided Europe...could be in the interest of the United States if we were a predatory power trying to step in and pick up the pieces. That of course is the old politics, the old diplomacy, it’s nineteenth century diplomacy.” After Brandt left the Oval Office, Kissinger remarked that Brandt, “he’s just a spongy guy.”¹¹⁹ By the summer of 1971, any talk of American opposition to *Ostpolitik* has disappeared. During a Brandt-Nixon

¹¹⁶ Schweitzer, et al., 131.

¹¹⁷ Niedhart in Burk and Stokes, 289-290.

¹¹⁸ NSC Files, Box 1025, Memorandum of Conversation between President Nixon and Rainer Barzel, April 14, 1971.

¹¹⁹ Nixon Tapes, WHT 520-6, Oval Office conversation between President Nixon and Willy Brandt, Stephen B. Bull, Press, Manolo Sanchez, Henry A. Kissinger, Egon Bahr, Rolf Pauls, Conrad Ahlers, Hermann Justerer, Wolf-Dietrich Schilling, and Harry Obst, June 15, 1971, 11:02 am – 12:34 pm.

discussion on June 15, Nixon showed great interest in Europe and again encouraged Brandt. As Brandt recorded in his memoirs, “what might only a year ago have seemed a mental exercise was now on the verge of fulfillment...what mattered now was to establish organic links between the Community and the U.S., economically as well as in the political sphere.”¹²⁰

In conclusion, this was the relationship that had been established between West Germany and the United States in the early years of the Brandt and Nixon governments. There were similarities between the two statesmen primarily because their strategies in dealing with the East were similar, but their tactics at times collided. Both nations overcame their bilateral differences related the normalizing relations with the East, which was certainly an important hurdle to eventually ending the Cold War. Also, both nations supported the accession of the United Kingdom to the European Economic Community, which became reality on January 1, 1973. As will be seen later in this study, both Nixon and Brandt over time followed a similar trajectory: both had remarkable early foreign policy successes, but later fell prey to domestic controversy and ultimately lost the zeal to continue in office. Both men resigned due to scandal before they were forced to go. However, at the end of 1970 and the first half of 1971, like relations between the United States and France, German-American relations were strong, but whether they would be strong enough to face the serious struggles ahead was still to be seen.

United Kingdom

Relations between the United States and the United Kingdom had always been unique since the end of World War II. A “special relationship” had existed since the days of Franklin Roosevelt and Churchill, and in one way or another it had been maintained and shared by each nation’s successive political leaders. In particular, although there were ups and downs, both nations benefitted from intelligence sharing and nuclear weapons discussions that were the main

¹²⁰ Brandt, *People and Politics*, 291.

areas of cooperation in the special relationship.¹²¹ There was some temporary damage done in relations between the Eisenhower administration and Foreign Minister Ernest Bevin during the 1956 Suez crisis, but much of that had been repaired by Harold Macmillan, working first with President Eisenhower and then with Kennedy. Prime Minister Alec Douglas-Home was not in office long enough to make an impact one way or the other, and at any rate his tenure coincided with the tumultuous transition from Kennedy to Johnson. Even Johnson, who everyone knew was no Europhile, found Prime Minister Wilson “a man after his own heart.” In fact, on more than one occasion when Wilson visited Washington they enjoyed dismissing their aides so they could talk privately.¹²²

From 1964 to 1967, Wilson and his Labor government actively sought to deepen the Anglo-American relationship, in part because the United Kingdom had turned so often to the United States for help, especially during the 1960s. For example, Wilson turned to Johnson in September 1965 to assist with propping up the Sterling. Then, after 1967 when British foreign policy was even further in retreat in economic terms the United States continued to support the United Kingdom.¹²³ It was during that time that Britain also sought to cleave more closely to Europe, too, after Prime Minister Wilson decided he was going to apply for membership to the European Economic Community again on May 2, 1967, even after the first attempt during the Macmillan government had been vetoed by French President Charles de Gaulle in 1963. As it turned out, this time, in 1967, de Gaulle needed all of two weeks before stating on May 16 that he again intended to veto the British application. The General claimed that since the previous application, Britain had not made enough of the proposed changes necessary to enter the EEC. Privately, de Gaulle stated to the British Ambassador to Paris, Patrick Reilly, that he was not

¹²¹ Clive Ponting, *Breach of Promise: Labour in Power, 1964-1970* (London: Hamish Hamilton, 1989), 42.

¹²² Brands, 87.

¹²³ Ponting, 60.

against British membership in principle. However, he felt that the UK's economic situation was not right: there was too great a dependence on imported food, and as a result Britain would disrupt the community.¹²⁴ De Gaulle's formal veto came later that year, in a press conference on November 27, 1967. Then, the French president stated that in order for Britain to join the EEC, they [the British] would have to "subject themselves to fundamental changes...necessary for the country to settle in its own equilibrium."¹²⁵ Somewhat surprisingly, this second veto shocked the British people less than the first veto. Whereas the first veto caused a period of soul-searching, now Britain understood it had an active adversary.¹²⁶ However, beyond just the rejection of de Gaulle, British governments of the 1960s continued to face numerous other external challenges: domestic economic problems, Nigeria, the future of Rhodesia, sanctions against South Africa, and Northern Ireland.¹²⁷

It was at this time that Richard Nixon arrived at the White House. Having always been an Anglophile, it is well known that Nixon's early political career was influenced by Winston Churchill more than any other politician. This is unusual as Churchill hardly knew Nixon and no personal relationship existed between them. Nixon's admiration became an obsession as he continually tried to establish a relationship with Churchill, his son Randolph and Churchill's son-in-law Christopher Soames. Nixon believed that he modeled his political ideology and career after the great British statesman. He provided many examples of this in his writings, actions and conversations with others. Nixon frequently quoted Churchill out of context to support his own policy decisions and ideology. He viewed Churchill not only as an idol but as a vehicle to raise

¹²⁴ Ponting, 212-213.

¹²⁵ Gladwyn, 124.

¹²⁶ Gladwyn, 126.

¹²⁷ Douglas Johnson, "La politique européenne de Georges Pompidou, vue de Grande-Bretagne" in Association Georges Pompidou, *Georges Pompidou et l'Europe: Colloque, 25 et 26 novembre 1993* (Paris: Éditions Complexe, 1995), 218.

his own reputation by comparing his actions with Churchill. In Nixon's mind Churchill was the ultimate authority on all matters dealing in foreign policy.¹²⁸ Nixon poured over each of Churchill's thirty-four published works and a picture of Nixon and Churchill was among Nixon's most cherished mementos on his desk in the Oval Office. Yet Nixon's actual meetings with Churchill were limited to two engagements that were of no political or historical significance. One of Nixon's books, *Leaders*, was based on Churchill's *Great Contemporaries* and Nixon's feature leader was Churchill. He made every attempt during his lifetime to show that he had known Churchill.¹²⁹

Despite President Johnson's difficulties with some European leaders, Nixon inherited a "special relationship" that was strong, if becoming increasingly lop-sided due to decline in status of the United Kingdom. It seemed as though Harold Wilson was always preparing for or just returning from a meeting in Washington. In fact, during Wilson's tenure, there were nine official meetings between the sitting American president—either Johnson or Nixon—and Wilson.¹³⁰ The Prime Minister was well aware that during his tenure, not only was Britain in general decline, but it was also falling behind the rest of Europe. For example, in 1960, United Kingdom had enjoyed a standard of living comparable to that enjoyed by the six member nations of the European Economic Community, but by 1970 they had all experienced faster rates of economic growth and had overtaken Britain in terms of gross national product per capita.¹³¹

Nixon had made it clear that he wanted to visit London early in 1969, after Senator Jacob Javits had been used as an intermediary to set up the stop on his European tour. During that visit, Nixon had very candid discussions with Wilson, second in usefulness to Nixon only to his

¹²⁸ Jeff Aniolek, "In the Shadow of Churchill: The Influence of Winston Churchill on Richard Nixon" (M.A. thesis., Southern Connecticut State University, 1996), iv.

¹²⁹ Aniolek, 1.

¹³⁰ Harold Wilson, *The Governance of Britain* (New York: Harper & Row, 1976), 120-121.

¹³¹ Edward Heath, *The Course of My Life: My Autobiography* (London: Hodder & Stoughton, 1998), 359.

discussions with Charles de Gaulle, which took place a few days later. Although some commentators have said that Nixon did not get along very well with the ideologically opposite Wilson, there is little evidence of that in the records of their conversations. Perhaps that is because Wilson and Nixon had more in common than they may have thought. Like Nixon, Wilson was not from the upper class and had no pedigree in his family blood. In fact, Harold Wilson, despite his successes at the highest levels of a British political dripping with upper class, had risen from a very modest background to become Prime Minister. Even in 10 Downing Street, he still sounded and behaved like the down-to-earth Yorkshireman he was. His way of life, even at the height of power, was terribly ordinary. His natural habitat was suburbia, and his preferences deliberately unexotic. He once declared, “if I had the choice between smoked salmon and tinned salmon, I’d have it tinned. With vinegar.” He was also fond of reminiscing that “the school I went to in the North was one where more than half the children in my class never had boots or shoes to their feet.”¹³²

However, during the visit of President Nixon in 1969, they discussed the full docket of issues: Vietnam, the Middle East, NATO, Europe, Rhodesia, and Nigeria. They occasionally took a break for a quick drink or two, but then quickly got back to the business of serious discussion. Wilson recorded in his memoirs, “these discussions...were exploratory, relaxed and extremely friendly. In his first few weeks as President he was collecting all the facts, all the views of those whom he was meeting in London and elsewhere, to help Nixon form his first policy assessments.”¹³³ Wilson had even arranged for Nixon to visit the House of Commons and sit just off the floor under the Strangers’ Gallery, which was off-limits to all but Members of

¹³² William Douglas Home, ed., *The Prime Ministers: Stories and anecdotes from Number 10* (London: W.H. Allen, 1987), 253.

¹³³ Harold Wilson, *The Labour Government, 1964-1970* (London: Weidenfeld and Nicolson, 1971), 619.

Parliament.¹³⁴ Nixon also shrugged off two potential problems during his visit. As it turned out, Wilson had actually expected Lyndon Johnson to be reelected in 1968, and with that in mind, had planned to appoint John Freeman to the post of British Ambassador to the United States. Freeman had previously been editor of the left-leaning *New Statesman* who over the years had vilified Nixon. Now that Nixon was in the White House, Freeman was still headed to Washington. Although Wilson was greatly concerned that Nixon would find his appointment offensive, Nixon diffused the situation during his 1969 visit. At a small stag dinner at 10 Downing Street, Nixon briefly spoke: “they say there’s a new Nixon. And they wonder if there’s a new Freeman. Let me set aside all possibility of embarrassment because our roles have changed. He’s the new diplomat and I’m the new statesman.” The assembled crowd roared with approval. Wilson passed Nixon a hand-written note: “that was one of the kindest and most generous acts I have known in a quarter century of politics...It is possible—you’ve shown it—to be a gentleman. H.”¹³⁵ Another challenge in which Nixon impressed his Labor Party hosts came during a mock British cabinet meeting that Nixon attended. It was supposed to be a two-hour discussion between Nixon and a few assistants on one side, with three or four senior members of the British government on the other. Nixon opened with one of his famous half-hour *tour d’horizon* that impressed everyone in the room. Then, as Chancellor Roy Jenkins recorded in his memoirs, “coffee was brought in, and...the president mysteriously succeeded in picking up a crystal inkwell and pouring its contents over his hands, his papers, and some part of the table.” Then, to make matters worse, Private Secretary Burke Trend then poured cream on himself, “although it was not clear whether this was because he was so shocked or because he thought the president would feel less embarrassed if carelessness verging on slapstick appeared to be a

¹³⁴ Wilson, *The Labour Government*, 621.

¹³⁵ Safire, 126.

Downing Street habit.” Nixon left to get cleaned up, and after a while returned with his hands still stained. The incident completely ruined his concentration, and the gathering adjourned early.¹³⁶

Then, the United Kingdom got the stroke of luck it had been waiting for. After Charles de Gaulle resigned in April 1969, there was renewed hope that Britain could one day apply and be admitted to the EEC. Opposition leader Edward Heath put it this way, “in the next year or two there may be another opportunity for Britain to join in this process. If this effort is to succeed it must be most carefully prepared, for public opinion in Britain could not tolerate a third failure.”¹³⁷ Heath, of course, had always been pro-Europe, going back to the days of the first British application in 1962 that was ultimately doomed by de Gaulle. Then, Prime Minister Macmillan sent Heath out to tour Europe in order to strike up support for Britain’s entry. On a stop in Athens, Heath wanted to learn from the Greek government the result of the EEC foreign ministers’ meeting which had been held there the week before. Prime Minister Karamanlis and Foreign Minister Averof filled Heath in. After dinner, over Cognac, Averof told Heath that the foreign ministers had in fact discussed the case of the British application. On the edge of his seat, Heath replied, “what happened then?” The Greek minister replied, “...the obvious answer is for them [the EEC] to lay down three conditions...so they spent the rest of the time deciding what their three conditions should be.” “For Heaven’s sake,” Heath said, “what on earth are they going to put forward?” The conditions were as follows, said Averof: “First you must accept a decimal currency.” To that, Heath responded, “Well, that may not be altogether impossible. We set up a committee to examine the question in 1853 and maybe when it reports we could consider it seriously. What is the next condition?” Averof replied, “You will have to drive on the right-hand

¹³⁶ Roy Jenkins, *A Life at the Center: Memoirs of a Radical Reformer* (New York: Random House, 1991), 262.

¹³⁷ Edward Heath, “Realism in British Foreign Policy.” *Foreign Affairs* 48 (October 1969): 42-43.

side of the road.” Heath was astonished. “That,” he said, “is much more difficult. However, it’s been done in Sweden without changing the side of the steering wheel, so I suppose we could do it as well if we put our minds to it. What is the last condition?” Finally, the foreign minister said, “that you should return the Elgin marbles to Greece.” All three men laughed. Heath remarked, “...you will have to think up some fresh ideas if you want us in the Community.”¹³⁸ Comedy aside, while both major British political parties supported British accession, Wilson and Heath knew that getting Britain into the EEC even after the departure of de Gaulle would still be hard work. However, the groundwork had been laid by French President Pompidou and German Chancellor Brandt at The Hague summit in December 1969.

The dialogue over Britain’s entry to the EEC continued into 1970, during a visit by Prime Minister Wilson to Washington, in January 1970. On Nixon’s support of British membership, Wilson commented that, “the President’s view was not very dissimilar from that of his two immediate predecessors.” In other words, while British entry into the EEC would surely have some consequences on the American economy as well as the “special relationship”, Nixon supported British entry because of the wider political considerations involved.” In a thorough discussion that also covered issues such as East-West relations and the Soviet proposal for a European security conference, Wilson noted that Nixon was “one of those international statesmen with whom it is possible to discuss a subject in great depth but with no waste or words.” Unlike the view by some commentators that Nixon and Wilson did not have a productive relationship due to political differences, Wilson said that “I had never put so many questions in ninety minutes since I had stopped holding seminars at Oxford thirty years earlier.”¹³⁹ With the exception of possibly de Gaulle, Nixon had probably shared more of his vision of the

¹³⁸ Heath, *Travels*, 142.

¹³⁹ Wilson, *The Labour Government*, 753-754.

world with Wilson than any other foreign leader up to that point, even on the subjects of arms talks with the Soviets and indications that the United States desired a change in relations with China, not to mention confidential updates on Vietnam-related negotiations. Wilson viewed these as monumental tasks, and later commented privately to Nixon that “it seemed to me that he was facing a dilemma in his approach to this question involving issues greater than perhaps any of his 30 odd predecessors had ever had to face, not excluding his and my hero, Abraham Lincoln.”¹⁴⁰

However, the Wilson government soon came to an end. During the British General Election of June 18, 1970, the Conservatives under the leadership of Edward Heath achieved a surprise victory, after the polls had been with Labor during most of the campaign.¹⁴¹ Henry Kissinger recorded in his memoirs that Nixon was so excited when he learned that Heath had won that he called Kissinger, then in Mexico City, “four or five times on an open line” to express his satisfaction at the outcome of the election. Kissinger was also not the only one at the receiving end of Nixon’s phone calls that day. Heath himself recorded in his memoirs that after he had woken up on the day after the election, his housekeeper brought him a cup of tea and told him, “a man called Nixon keeps telephoning and demanding to speak to you. He’s rung at least three times. I told him that you mustn’t be woken up before midday, so he may telephone again any moment now.” Soon the two leaders were successfully connected by telephone, and Nixon congratulated Heath “very warmly” and that the new government “would be a great improvement on the previous government.” After Heath explained that he would soon be going to Buckingham Palace to accept his appointment as Prime Minister, kiss the hand of the queen,

¹⁴⁰ PREM 13-3009, “The Prime Minister’s Account of His Conversation with President Nixon at Mildenhall on Sunday, August 3, 1969.”

¹⁴¹ David Butler and Dennis Kavanagh, *The British General Election of February 1974* (New York: St. Martin’s Press, 1974), 10.

and get his government in place for the beginning of work the following week, Nixon was speechless. “God, what a system,” he managed.¹⁴²

Like Wilson, Heath also had a very interesting background. He was a confirmed lifelong bachelor, who was also an accomplished musician and the author of several books on politics and sailing.¹⁴³ Like Wilson, Heath was never financially well off either, and was the first Conservative Prime Minister to win the office without having come from the traditional upper class, public school background. Despite that, he did manage to get himself through Balliol College, Oxford—which in history had produced more Prime Ministers than any other institution, and became president of the Oxford Union.¹⁴⁴ Heath had also been a longtime observer of American postwar politics. As he noted in another of his books, “each of the five American presidents whom I have met had his own unmistakable style.” He found Dwight Eisenhower to be “the relaxed father figure who gave confidence to a world still struggling to recover from the Second World War.” John F. Kennedy represented youth—“when the mood changed at the beginning of the sixties.” Lyndon Johnson, said Heath, “was trapped both domestically and internationally by the conflict in Vietnam which divided his own country and reduced American influence elsewhere.” Richard Nixon “eventually broke out from these constraints, at the same time opening up new possibilities in Sino-American relations.” Gerald Ford, Heath said, “had too little time in office.”¹⁴⁵

When Heath came to power, he staked his entire legacy on finally getting the United Kingdom in to the EEC, and at nearly any cost. For starters, Heath got along well with French President Pompidou. The two had known each other since the first British application to the EEC

¹⁴² Heath, *The Course of My Life*, 307-308.

¹⁴³ Douglas Home, 257.

¹⁴⁴ Home, 258.

¹⁴⁵ Heath, *Travels*, 193.

in which Heath had played a leading role in that ultimately doomed attempt. Whereas de Gaulle did not seem to have a clear European policy, Heath noted in his memoirs that “I had first met Pompidou in 1962, by which time he had already become Prime Minister of France. For some two hours we talked about the European Community, and what would be required for Britain to get into it. He had a very clear idea of the Community he wanted to create.” Most important of all, although the decision then to admit or refuse Britain’s entry was not Pompidou’s to make, the idea of the veto was also not his. Pompidou was interested in discussing the British application as needed, included any concessions he felt Britain would need to make. Pompidou once told him, “if you ever want to know what my policy is, don’t bother to call me on the telephone. I do not speak English and your French is awful. Just remember that I am a peasant, and my policy will always be to support the peasants.”¹⁴⁶

At German Chancellor Brandt’s urging, Pompidou admitted at The Hague conference of December 1969 that he was not opposed to the expansion of the European Economic Community, which was an obvious euphemism that meant British accession. Once that hurdle had been cleared, and Heath was elected and de Gaulle passed away in the autumn of 1970, all of the pieces were in place for success. From that point, it still took nearly a half year of negotiations, primarily between the United Kingdom and France, but at times also with Germany, before the negotiations were concluded on June 23, 1971.¹⁴⁷ In fact, most of the work was accomplished in a relatively short period of time. Prime Minister Heath had given orders to British Ambassador to Paris Nicholas Soames on March 1, 1971. Soames met with Elysée General Secretary Michel Jobert five days later at Pompidou’s request and without the knowledge of the Quai d’Orsay, and

¹⁴⁶ Heath, *The Course of My Life*, 365.

¹⁴⁷ Butler and Kavanagh, 11.

a Heath-Pompidou summit was set up for later that same month. Soames and Jobert had agreed to leave their plans in complete secrecy from their respective bureaucracies.

Then, as Heath recorded in his memoirs, “on the beautiful sunny morning of Thursday May 20, 1971, I walked from the British embassy in Paris to the Elysée Palace for a meeting with President Georges Pompidou.” For such a critical summit scheduled to last two full days on the single issue of the British application to the EEC, no doubt the most important in Heath’s entire career, he was accompanied by just Soames, his principal private secretary Robert Armstrong, and Michael Palliser, a minister at the embassy who was also to be Heath’s interpreter. The guard at the presidential palace sprang to attention when he saw the British delegation approach. The British were immediately greeted by Jobert and chief of protocol Jacques Senard, and taken to Pompidou’s office on the third floor, the same room used by Charles de Gaulle. Pompidou met them on the staircase on the approach to his office.¹⁴⁸ At the end of the next day, the two leaders and their interpreters appeared during the evening in the Grand Salon of the Elysée and announced that they had reached “complete agreement on Britain’s entry into the Common Market.” Heath later commented, “it was one of the greatest moments of my life.”¹⁴⁹

While this was a triumphant occasion for British foreign policy and Heath personally, finally getting Britain into the EEC came at a cost accrued in other areas of foreign policy, especially with the United States. The first sign of strains due to a British foreign policy being redirected toward Europe and away from the Anglo-American “special relationship” could be seen later that year. Although there is no documentary record of this, Heath must have made a private arrangement with Pompidou to distance himself from the United States. Nothing else

¹⁴⁸ Heath, *The Course of My Life*, 354.

¹⁴⁹ Heath, *Travels*, 5.

explains the drastic shift in British policy. Of course, Pompidou was not an adversary of Washington, and in fact he had good relations himself at that time with the Nixon administration. However, maybe Pompidou simply needed such an agreement with Heath for domestic public opinion, or because he wanted an insurance policy that Britain would not accede to the EEC and then act as a conduit for further American influence in Europe. This shift in British foreign policy can be heard in the exasperation of American political leaders caught on tape by the Nixon taping system. Chairman of the Federal Reserve Arthur Burns, in a discussion with European bankers in the fall of 1971, noted that “the British no longer have any political dependents because they are entering the Common Market, and they have got to play with the Europeans.” On the same topic, Secretary of the Treasury John Connally said that the British “will do anything to be sure they get into the Market, so they’re going to play us against the others.” Even President Nixon, who had supported British accession to a greater degree than either Burns or Connally were aware of, stated, “what is involved here are great political forces and movements, and we’ve got to try to link economics with the politics.” In other words, the president admonished his aides, if the British will not be helpful on economics, the United States could tie progress in that field with the defense support given by the United States to Europe. Nixon continued: “It’s got to be linked. With Britain, with Europe, it’s different, in a sense that Europe, without the United States, could never have a viable defense against possible Soviet intrigue, let alone war. And they know that.”¹⁵⁰ On another occasion in a private Oval Office conversation, Nixon summed up his reason for supporting the membership of Britain in the European Economic Community, even after strains in the “special relationship” were becoming evident. “I believe you cannot have a Europe that is going to be effective politically with Britain

¹⁵⁰ Nixon Tapes, OVAL 577-3, Oval Office conversation between President Nixon and John N. Mitchell, Arthur F. Burns, and Manolo Sanchez, September 20, 1971, 12:45 – 1:30 pm.

out because you have the insoluble problem of the Germans and the French,” the president said. “The Italians don’t offer anything. The British in will give a responsibility to them politically that they would otherwise never have. This is very important.” However, Nixon acknowledged there were also reasons why he should not support the candidacy of the United Kingdom. “Now, the other side of the coin is, that putting the British in the Market is not in our interest economically, certainly in the short range, and maybe not in the long range, because we thereby create a united trading unit of 300 million people, and they can really do it to us.” But, Nixon was someone who understood the need for Britain to be admitted. He knew that the British government had been searching for a steady foreign policy future ever since the final end of the empire and commonwealth came into sight at the end of World War II. Nixon concluded, “now, the British people want to get in from a political standpoint because so that they can be somewhat of a power in the world, and they know that we play this game. On the other hand, we might have to reevaluate that.”¹⁵¹ Although Nixon occasionally made such threats, he never acted of them. Instead, his disappointment about the state of Anglo-American relations simply became deeper.

For the remainder of the time in which the Heath and Nixon governments coincided, until the spring of 1974, Nixon clearly wanted to establish a closer relationship with Heath. Even Heath admitted that in his memoirs.¹⁵² Nixon had assumed that once Heath replaced Wilson at 10 Downing Street that that would be the best case scenario for the “special relationship.” However, Heath had to play a very difficult game, and essentially maintain two independent foreign policies, almost like a man on skis with at times different headings. On the one hand, he had to convince France and Europe that they were the number one British foreign policy priority. But

¹⁵¹ Nixon Tapes, OVAL 578-4, Oval Office conversation between President Nixon and H.R. Haldeman, John B. Connally, and Arthur F. Burns, September 24, 1971, 9:52 – 10:29 pm.

¹⁵² Heath, *The Course of My Life*, 472.

on the other hand, Heath also told Nixon that Anglo-American relations were still important to him, too. As seen later in this study, Heath was successful in getting Britain into the European Community, something for which he will always be known for in history, but his policy of running two foreign policies at once failed, and ultimately resulted in the painful exercise to renegotiate the terms of British accession to the EC in 1974-1975. As Henry Kissinger later records, the Heath-Nixon relationship resulted in “a disappointment at both ends...Heath shared too many personality traits with Nixon for those two quintessential loners ever to establish a personal tie...[Heath’s] charm would alternate with icy aloofness, and the change in his moods could be perilously unpredictable. After talking with Heath, Nixon always felt somehow rejected and came to consider the Prime Minister’s attitude toward him as verging on condescension.”¹⁵³ However, once Heath had reoriented British foreign policy away from the United States in 1970 and toward Europe, Anglo-American relations did indeed seem less special than at any other point since the end of World War II, and ties remained difficult until the spring of 1974 when Harold Wilson returned to power.

Conclusion

After these three sketches, what can be taken from this discussion of transatlantic relations during the first half of Nixon’s first term of office? Clearly, a few lessons can be drawn. From his first day in office, Nixon prioritized relations with Europe in a way that probably no president since the end of World War II had. However, Europeans were dumbfounded with disappointment after Nixon noticeably shifted his attention to anywhere but Western Europe even after holding numerous summits in 1969, 1970, and even 1971. In fact, by as early as the end of 1969, Nixon was preoccupied with the Soviet Union, Vietnam, and China. What Nixon’s European collaborators failed to realize was that almost every ounce of foreign policy energy

¹⁵³ Kissinger, *Years of Renewal*, 602-603.

that Nixon exerted on behalf of Europe in his first two years, whether the 1969 tour, or Berlin, or NATO, was done for the direct benefit of East-West relations. If Europe benefitted indirectly, all the better, but that was not Nixon's primary preoccupation. With the benefit of hindsight, what we see is that the Nixon approach toward transatlantic relations created an initial euphoria in transatlantic relations, but that peak of excitement was later matched by an equal drop in European confidence in Nixon after the collapse of Bretton Woods and through the failed Year of Europe. After snubbing the Europeans for the Soviet Union and China, Nixon was equally snubbed by Europeans between late 1971 through 1973. Once Nixon knew he had been rebuffed, that was the end of any warmth in relations with Europe until the spring of 1974 saw a change in the governments in all three European nations. At the beginning of the break-down in transatlantic relations in 1971, the Nixon taps record numerous conversations in which Nixon could no longer control his anger at the Europeans:

Now I have to tell you about the British. By God, Heath has taken heat over there...we do everything we can for the British, but the British...they stung us.

Now let's look at the Germans...the Berlin [Four Power] agreement would never have been put through unless we had—I can tell you privately what really happened on that. And keep this to yourself, because some of the State Department people would not be happy. Kissinger sits down, for four months, meeting with [Soviet Ambassador Anatoly] Dobrynin, worked out the odds and ends of that damned agreement. And finally, [Kenneth] Rush, our ambassador, a hell of an ambassador, with great skill, got it through. But I'll tell you what I did. I got in the opposition leader, you know, the leader of the Christian Democratic Party [Barzel] in here, and he was going to pull this on the ground. And I told him two months, I said, I would not bring Brandt down on the issue of foreign policy. I told him it means everything. I mean, if they don't have the Berlin agreement, then they don't have the treaty with the Russians, and if they don't have the Berlin agreement, they don't have access to Berlin, and also some degree of lessened tension between East and West Germany. The Berlin agreement was as important or even more important to Brandt and his political future as Okinawa was to [Japanese Prime Minister] Sato.

Now, let's take the French. The French are selfish bastards...believe me, we've played their game on several things, and I've been extremely courteous to him. We say to France, we say to France, where would you be without the United States? Down. Nothing. And,

when you think of the damn Netherlands, and the Belgians, and the rest, all those people... would be nothing without us.

Now we come down to the United States. It's time for America to look after its own interests... I take it they have got to know that I supported the Marshall Plan, I was on the Herter Committee, I supported reciprocal trade, I've been supporting the damn foreign aid. I believe in world responsibility, and I've taken all these risks, the China trip, and all the rest, and there are going to be others to follow, other things of very great significance for them. Darn it, they must not think that they now have a soft touch here. We have got to play a very hard game.¹⁵⁴

From 1971 on, as will be seen later in this study, the transatlantic relationship was threadbare. Nixon never dealt comprehensively with European issues again, instead leaving them to Henry Kissinger. He did deal with piecemeal issues that affected Europe when he had to—Bretton Woods, British accession to the EEC, the oil shock of 1973—but in private there was little warmth left.¹⁵⁵ Even Kissinger's National Security Council noticed the dramatic drop-off in the attention paid to Europe. "We nonetheless ought to make up our minds and engage the President's attention before long on the question: What kind of Europe do we favor and what, if anything, can we do about it?"¹⁵⁶ The meteoric height that was reached in transatlantic relations in early 1969 disappeared just as quickly as the entire structure crumbled only a few years later. But, as long as Nixon was convinced he had bigger foreign policy priorities to pursue, and he arguably preferred to be known for his initiatives with the Soviet Union and China than with Europe, this was the structure of transatlantic relations that would soon be saddled with additional problems, including NATO, Bretton Woods, the Year of Europe, and a second round of negotiations to keep Britain in Europe once and for all.

¹⁵⁴ Nixon Tapes, OVAL 570-4, Oval Office conversation between President Nixon and Arthur F. Burns, Gerald L. Warren, and Stephen B. Bull, September 11, 1971, 12:07 – 12:53 pm.

¹⁵⁵ Jussi M. Hanhimäki, "Kissinger et l'Europe: entre intégration et autonomie." *Relations Internationales* 119 (2004): 319.

¹⁵⁶ NSC Files, Box 15, undated study on U.S.-Europe policy options.

CHAPTER II. NATO AND THE DEFENSE OF EUROPE

One of the most enduring Nixon-era modifications of the Cold War landscape was the beginning of the transformation of the North Atlantic Treaty Organization (NATO) from a military organization wounded first by French withdrawal in 1966 and then again by the Soviet invasion of Czechoslovakia in 1968 to a robust, relevant, increasingly political alliance that only a handful of years later negotiated confidently on issues such as the Conference on Security and Cooperation in Europe (beginning November 1972), Mutual Balanced Force Reductions (beginning January 1973), and the Helsinki Final Act (which concluded in 1975). This transformation occurred during a turbulent era in which American involvement in the Vietnam War was brought to a final end, the beginning of a long thaw that led to the normalization of relations between the United States and the People's Republic of China commenced, and the superpower standoff between East and West was diffused by agreements such as the Strategic Arms Limitation Treaty (SALT I) of 1972. The beginning of a transformation that continued through the end of the Cold War, NATO in a climate of superpower détente was forced to take the first steps beyond the end of its original 20 year mandate to prevent war in Europe that expired in 1969 to becoming involved in a host of issues beyond the defense of Europe and even beyond Europe itself. Nearly two decades after the end of the Cold War, numerous scholars have concluded that the Nixon era was a period during which tensions between the superpowers lessened.¹⁵⁷ However, for a fuller appreciation of that achievement—which broke the chronological cycle of the Cold War as simply one superpower standoff after the next—it must be measured against the low point in which NATO found itself first after the exit of France and then the Soviet invasion of Czechoslovakia in 1968.

¹⁵⁷ John Lewis Gaddis, *The Cold War: A New History* (New York: Penguin Press, 2005), 263.

When Richard Nixon arrived at the White House in January 1969, he was known to be a great supporter of NATO and said as much during his European tour that began at the end of his second month in office. However, only months later, Nixon, with the aide of Assistant to the President for National Security Affairs Henry Kissinger had a critical choice to make: in order to implement their promised Cold War shift from an “era of confrontation” to an “era of negotiations”, they could pursue their strategy either through the existing diplomatic framework—for example through the State Department or NATO—but they were far more interested in taking a new approach. They created a new channel, a back channel, for communication directly with the Soviet Union and later China that cut out traditional diplomats such as the foreign service, ambassadors and embassies, and even opportunities for consultation with American allies in multilateral settings such as NATO. This American preference for bilateral relations over multilateral relations was also applied to select allied relationships, which added additional strain to a transatlantic relationship that had already been badly bruised during the 1960s.

Moreover, with the more general shift in Nixon-era foreign policy toward dialogue and détente rather than strictly deterrence with American adversaries, the president was criticized that his heavy reliance on secret diplomacy undermined traditional alliances such as NATO, which had prior been a natural forum to take joint decisions on East-West relations. After all, Nixon himself had criticized his predecessors for what he perceived to be a chronic lack of consultation with Europe and claimed that during his watch the importance of substantive transatlantic dialogue would be restored. This chapter argues that the criticism by some that the new American overtures to the enemies of the West undermined institutions such as NATO, the European Community (EC), and transatlantic relations more generally was fair in the short run

during 1969-1972. However, on the other hand, the Nixon administration backchannel communications with the Soviet Union and China helped to bring about conditions in which a major war fought in Europe was no longer likely. These sensitive negotiations could never have been conducted in an open forum like NATO because of the alliance's narrow mandate or in the EC because the United States had no official voice and Nixon and Kissinger would never have tolerated such a high risk of leaks anyway. Thus, Nixon and Kissinger's bilateral overtures with the Soviet Union and China, while having caused transatlantic tensions in the short run as NATO was forced to reformulate its *raison d'être*, permitted longer term improvements in Atlantic relations, beyond Nixon's resignation from office.

After all, once war was no longer likely in Europe between East and West as a result of détente with the Soviet Union and rapprochement with China, the very *raison d'être* of NATO had been challenged. Most observers at the time agreed that NATO was a defensive pact primarily concerned with preventing war in Europe, so if war was no longer likely in Europe, and if the battleground of the Cold War had spread outside of Europe to places such as South Asia and other lesser developed countries, then NATO had to redefine its role in order for the alliance to continue commanding significant defense contributions from member nations during an era of chronic budget shortages in almost all member nations. NATO was not nearly as equipped for "out of area" conflicts, outside of Europe, if for no other reason than because its defense-oriented conventional forces required a longer mobilization period coming from a much broader geographical area. That posed less of a problem for the Warsaw Pact, which expanded its worldwide influence during the Nixon years to places such as the Mediterranean and the Middle East. Therefore, when faced with the choice between ceasing to exist after its original 20-year mandate or beginning a difficult and lengthy transition, NATO began the process of

redefining its role, a process that has to some degree continued to this day, especially as NATO and its missions have continued to evolve further and further from its original 1949 charter. This chapter traces the condition of NATO after French withdrawal and the Soviet invasion of Czechoslovakia, to how Nixon shaped NATO into his foreign policy agenda and with that how NATO adapted itself to the new American president and a climate of growing détente after the successful American summits with the Chinese and Soviets in 1972, a process that culminated through the 1973 Year of Europe (described later in this work in a chapter of the same name). Nixon efforts at reforming NATO effectively ended with the Atlantic Declaration signed during his European visit of June 1974.

NATO and the Cold War

It is well-known that Europe was the original and most contentious battlefield of the Cold War, ever since the continent had been divided into spheres of influence following World War II. Moscow posed a dangerous threat to Western Europe, since it had never truly demobilized following the war. The West had hoped for a genuine East-West understanding, but Soviet behavior with respect to Germany and Eastern Europe had disappointed the West in the immediate postwar years. Therefore, the West subscribed to the creation of NATO to ensure that communism would not spread either by force or by subversion over Europe. This policy meant that Europe was divided into blocs of power and spheres of influence. Following the death of Josef Stalin in 1953 and the subsequent worldwide de-Stalinization of many communist nations, the first fractures in the Communist world were seen, and from the vantage point of Europe this meant a more unstable Eastern bloc led by a Soviet Union in search of a new doctrine. Throughout the 1950s, Western leaders were haunted by the nightmare of invading Warsaw Pact troops sweeping across Europe toward the English Channel. European communist parties polled

strongly even in Western Europe, while 600,000 NATO troops, protected by the American nuclear umbrella, stared at 1.5 million Warsaw Pact troops.¹⁵⁸ Until the 1960s, NATO's policy of deterrence worked: over the years a sense of security and a relaxation of tensions had grown in Western Europe. Once the Cold War had spread to the so-called third world, for the most part it stayed there through the 1980s, beginning three decades earlier with the Korean War. From there the superpower standoff between the two extra-European superpowers had spread to the Middle East, Africa, the Caribbean, and Southeast Asia, while Europe remained relatively stalemated, especially after the Berlin blockade and the Cuban missile crisis showed Americans and Europeans how close the Cold War had been to turning hot so close to home. Both American and Soviet leaders, even at their most irrational moments, knew that the costs and risks of such widespread destruction only two decades after postwar Europe previously laid in ruin would be intolerably high. This in effect permitted a relatively high tolerance on the part of a frightened citizenry on both sides of the Iron Curtain for East-West conflicts played out in the Middle East or Southeast Asia, or really anywhere but Europe. The policies of Richard Nixon and Henry Kissinger, or for that matter Leonid Brezhnev, only further neutralized Europe.

Therefore, if indeed a reduction of Cold War tensions occurred between East and West during the Nixon years as some scholars have claimed, then the NATO military alliance must be at the core of any consideration of how such a reduction took place, and both the successes and failures of the military alliance must be placed in their proper historical context. Although historians such as Thomas Schwartz and Lawrence Kaplan have written useful studies on the period before the Nixon presidency, including Kennedy- and Johnson-era relations with Western Europe and the navigation of NATO through crises such as the French withdrawal from NATO's integrated command structure in 1966, we are left without nearly an adequate guide for the

¹⁵⁸ Richard Nixon, *1999: Victory Without War* (New York: Simon and Schuster, 1988), 197.

following period of years under consideration. Moreover, while there have been focused works that touch on events related to NATO and European defense for the period 1968-1972, including *Ostpolitik* and détente, much less is known about this period and its seismic events from the perspective of NATO and its military commanders, who felt responsible not just for the Western military alliance, but for the defense of Western civilization itself. For them, the eventual reduction in superpower tensions was certainly not something envisaged in 1966 after the announcement of French withdrawal, at least not from their perspective on the front lines of the Cold War.

By the time President Nixon arrived in the White House the military alliance had outgrown the North Atlantic Treaty of 1949, which permitted members to voluntarily leave NATO after 20 years of membership. France had already begun its departure in 1966, and inevitably other members would also carefully consider the future of the alliance and their roles in it. Remarkably, NATO remained on the brink of extinction in the late 1960s even while it had been the primary organ that had helped to solve yet unresolved concerns, such as the division of Germany and continued access to Berlin from the West.¹⁵⁹ There was a recognition by some Atlanticist political leaders that NATO was still useful, if in need of modification. NATO's Harmel Report of 1967 had also suggested the need to reform NATO's structure, including proposing a greater political role for NATO in order to achieve better East-West understanding and to begin the process of mutual balanced force reductions. However, the Harmel Report was only one proposed future path for NATO. After all, European nations had significant differences both internally and externally as to their future foreign policy options with respect to the Eastern bloc. First France in a flair of reclaimed independence and then Germany in a reverse of the Hallstein Doctrine under Chancellor Willy Brandt pursued an independent foreign policy with

¹⁵⁹ Zbigniew Brzezinski, "America and Europe," *Foreign Affairs* 49 (October 1970): 11-30.

the East, known as *Ostpolitik*, even if these initiatives were momentarily halted by the August 1968 Soviet invasion of Czechoslovakia.¹⁶⁰ However, even before those initiatives, French President Charles de Gaulle had suggested as early as 1961 during conversations with American President John F. Kennedy that, in his opinion, NATO urgently needed to be reorganized. This was suggested because since de Gaulle considered that Europeans could not longer rely on the American nuclear deterrent, they themselves should be responsible for their own future security.¹⁶¹ No doubt, in typical Gaullian fashion the French President treated the lack of attention to his calls for NATO reform as a failed vote confidence that hastened eventual French withdrawal from the alliance.

In the mid-1960s, NATO was in dire straits largely as a result of its own success: it had prevented a major conflict in Europe between East and West for two decades. Meanwhile, the Central Intelligence Agency had concluded that ideology in the Soviet Union was “dead”, which was the rationale suggested for how the initial shock of the Soviet invasion of Czechoslovakia had worn off so quickly.¹⁶² After all, the thinking went, even though European dreams of lasting détente had been shattered temporarily after Czechoslovakia and before that other earlier putdowns in places such as Hungary and Romania, these perennial Soviet adventures always stayed on their side of the fence, never spilling over to the West, even if the threat that they would one day do so remained. However, recently released NATO documents indicate that NATO’s military commanders were often in despair over the future of the moribund alliance after having witnessed so many Cold War conflicts. First, although many Europeans believed Cold War tensions had decreased throughout the 1960s via efforts toward detente, the Warsaw

¹⁶⁰ James Chance, “The Concert of Europe,” *Foreign Affairs* 52 (October 1973): 96-108.

¹⁶¹ Harlan Cleveland, *NATO: The Transatlantic Bargain* (New York: Harper & Row Publishers, 1970), 101.

¹⁶² Central Intelligence Agency. Directorate of Intelligence. “Basic Factors and Main Tendencies in Current Soviet Policy.” National Intelligence Estimate (NIE) Number 11-69. February 27, 1969.

Pact mobilization that invaded Czechoslovakia shattered that perception for NATO military commanders. Second, before and after the invasion NATO was still regrouping after the beginning of French withdrawal from NATO's integrated command structure in 1966, and during that transition the alliance suffered from serious shortcomings in both morale and force levels. Finally, following these two setbacks, the military leaders of NATO were in a panic over what they perceived as NATO doctrine being out of sync with NATO realities. When boiled down to an absolute minimum number of options needed to deal with any previous East-West crisis, NATO typically escalated the crisis by demanding more forces from member nations. However, by the late 1960s, with insufficient conventional forces, wavering moral commitments from member nations, a strategic doctrine in flexible response that did not take account of reality, and an Eastern bloc that seemed to have limitless ambitions for growth, the situation for NATO's military commanders looked bleak indeed.

NATO After French Withdrawal

When Richard Nixon arrived at the White House in January 1969, NATO was still regrouping from the blow it had absorbed following the French announcement in 1966 that French forces would be withdrawn from NATO's integrated command. According to French President Charles de Gaulle, a great nation must move at its own pace, and its objectives should always be dictated by its interests, and not by those of any other nation.¹⁶³ American President Lyndon Johnson preferred not to confront de Gaulle directly, and Johnson probably did not have enough personal rapport with de Gaulle to negotiate over French withdrawal anyway. Therefore, de Gaulle decided that in order to reclaim France's independence, France would develop a nuclear deterrent independent from that of the United States, a decision that was perhaps the

¹⁶³ Henry A. Kissinger, *The Troubled Partnership: A Re-appraisal of the Atlantic Alliance* (New York: McGraw-Hill Book Company, 1965), 45-46.

most important taken in the General's overall determination to achieve an independent role for France in world politics.¹⁶⁴ De Gaulle's had suggested earlier in the decade to then President Kennedy of the need to reform NATO, and somewhat ironically French withdrawal helped to force such reforms. Although de Gaulle had no shortage of critics in the aftermath of his decision to withdraw, from his perspective his actions were defensible. After the West failed to pay serious attention to his calls for NATO reform he saw in the mid-1960s that in an era of increasing détente with the Soviets that many NATO member nations had reduced or were planning to reduce their defense contributions earmarked to NATO. The Americans were just reaching their peak of activity in Southeast Asia, Canada had proposed force reductions and would in fact carry them out under new Prime Minister Pierre Trudeau, there were significant amounts of public neutralist sentiment in both Denmark and Iceland more or less openly opposed to NATO, and budgets remained tight everywhere in Europe.

While other NATO members did not publicize their doubts over future commitments to NATO in, say, the way that France did through withdrawal, even pro-NATO German Chancellor Georg Kiesinger had stated to British Prime Minister Wilson in early 1969 that had the Soviets not invaded Czechoslovakia in August 1968 that the entire NATO alliance "would no longer have existed" because so few countries would have chosen to renew their defense earmarks to NATO beyond the expiration of the alliance's mandate in 1969.¹⁶⁵ Although NATO had always known crisis, the magnitude of French withdrawal in 1966 eclipsed all previous crises and resulted in the most serious reordering of European defense priorities since the collapse of the European Defense Community (EDC) in 1954, after the French had failed to ratify its membership. As a result of French withdrawal from NATO, the Supreme Headquarters, Allied

¹⁶⁴ Wilfrid L. Kohl, *French Nuclear Diplomacy* (Princeton: Princeton University Press, 1971), 4.

¹⁶⁵ British National Archives (Public Record Office), Prime Minister's Files, PREM 13-3383, "Future of NATO; withdrawal of France; U.S. forces reduction in Europe; part 5."

Powers, Europe (SHAPE) was forced to relocate from Rocquencourt to Casteau, in Belgium. Allied Forces Central Europe (AFCENT) was moved from Fontainebleau to Brunssum, in the Netherlands. And, the United States European Command (EUCOM), headed by the Supreme Allied Commander Europe (SACEUR), along with all American army and air force installations formerly located in France had to find new military bases, mostly in Germany. All of this, according to the French demand, had to be completed within one year, by April 1, 1967.¹⁶⁶ Then, the withdrawal of French forces took place effective July 1, 1968, and new NATO lines of communication and transportation had to be built, avoiding French territory, at a substantially increased cost through the North Sea.¹⁶⁷ In the central region of NATO that bordered the Warsaw Pact, where many French forces had been previously assigned, the problem was especially acute. For example, before June 1966, the forces designated for the defense of the inter-German border, known as CENTAG, were equally divided between U.S. and French troops. Following French withdrawal from this most sensitive region, nearly 1,300 military personnel were immediately needed to fill the gap, drawn from the United States and West Germany, even though both nations' forces were already stretched to the limit.¹⁶⁸ In addition, the air forces designed to provide cover for CENTAG ground forces, according to NATO's Military Committee, were considered to be "extremely vulnerable to the threat" from the Warsaw Pact following French withdrawal.¹⁶⁹ And, quite apart from the prohibitive cost incurred by NATO following French withdrawal, strategically NATO was also weaker because most of its infrastructure post-French

¹⁶⁶ Lawrence S. Kaplan, *NATO and the United States: The Enduring Alliance* (New York: Twayne Publishers, 1994), 97.

¹⁶⁷ Lawrence S. Kaplan, "Reflections on the U.S. and NATO in the 1960s," in Christian Nuenlist and Anna Locher, eds., *Transatlantic Relations at Stake: Aspects of NATO, 1956-1972* (Zurich: Center for Security Studies, 2006), 241.

¹⁶⁸ North Atlantic Treaty Organization Archives (NATO), Records of the Military Committee (MC), MCM-108-69, November 27, 1969, "Memorandum for the Secretary General."

¹⁶⁹ NATO, MC, MCM-26-69, March 20, 1969, "Memorandum for the Secretary General."

withdrawal was more closely concentrated as well as geographically located closer to Warsaw Pact forces.

For NATO, French withdrawal was a turning point, and a culmination of the policy independence pursued by French President Charles de Gaulle.¹⁷⁰ De Gaulle expected that France would continue to receive all of the free rider benefits by being surrounded by NATO members, but without paying the French share of the alliance's upkeep. While de Gaulle did not oppose the NATO alliance, he did differ sharply from the concept of integration on which it was based, which he argued had eroded French identity and had forced France to accept American hegemony indefinitely.¹⁷¹ Although NATO military leaders were relieved after de Gaulle resigned in 1969 and hoped that NATO-French relations might improve, his successor, Georges Pompidou, affirmed many familiar positions of de Gaulle.¹⁷² Without success, the Supreme Allied Commander Europe attempted to renegotiate the French role in NATO with the French Chief of Staff, in particular regarding the critical role of French forces in CENTAG. However, future NATO force proposals were drawn up on the assumption that French forces, airspace, territory, and facilities would be unavailable in times of crisis or even war. Without these resources, NATO's Military Committee concluded that "the withdrawal of French forces and uncertainty of overflying its territory will cause major deployment and survivability problems in the Central Region."¹⁷³ Furthermore, apart from the acute problem in the Central Region, the Military Committee concluded that "the present number of conventional units is at a level where

¹⁷⁰ Frederic Bozo, *Two Strategies for Europe: De Gaulle, the United States, and the Atlantic Alliance* (Lanham, MD: Rowman & Littlefield, 2001), ix.

¹⁷¹ Kissinger, 52.

¹⁷² Ambassade de France. *Press Conference of Georges Pompidou, President of the French Republic, at the Elysée Palace, July 10, 1969* (New York: Service de presse et d'information, 1969), 7.

¹⁷³ NATO, MC, IMSWM-208-68, December 2, 1968, "Memorandum for the Members of the Military Committee."

the Major NATO Commanders will have difficulty in effectively fulfilling their assigned missions.”¹⁷⁴

For the French, General Cavard, France’s representative on NATO’s Military Committee, found himself in an especially challenging role. Serving for the 18 months after the French withdrawal from NATO’s integrated command until shortly after Georges Pompidou was elected as de Gaulle’s successor in July 1969, Cavard worked tirelessly to bridge the divide between France and NATO, without much success, as noted in a speech made upon his departure from the Military Committee in July 1969:

At the end of 18 months, I am obliged to state that my presence here has had little effect. At your level, which is decisive, I have not noted any progress in the implementation of the military co-operation agreements approved in 1966 either for NATO’s or France’s benefit within the framework of the Alliance.¹⁷⁵

It was also not productive for NATO that some in the West continued to think wishfully that France would one day rejoin the alliance and therefore NATO could avoid undergoing needed reforms, even while key French government figures continued to reaffirm a policy of independence into the Pompidou administration.¹⁷⁶ Prime Minister Jacques Chaban-Delmas had even declared that French NATO policy was irreversible.

Czechoslovakia, 1968

Although many Europeans believed Cold War tensions had decreased throughout the 1960s, that perception was momentarily shattered by the Soviet invasion of Czechoslovakia. The invasion was predicted by neither Americans nor Europeans, even though the action clearly reinforced what became known as the Brezhnev Doctrine, which was a movement to root out internal threats within the “Soviet Commonwealth” and was the most significant revision to

¹⁷⁴ NATO, MC, IMSWM-360-68, January 3, 1969, “Memorandum for the Members of the Military Committee.”

¹⁷⁵ NATO, MC, MC-29-69, July 24, 1969.

¹⁷⁶ Michel Debré, “France’s Global Strategy.” *Foreign Affairs* 49 (April 1971): 400-401.

Soviet Cold War doctrine since the death of Josef Stalin. Twenty-eight divisions of Soviet and Warsaw Pact troops moved across the Czechoslovak border under the guise of a training maneuver at 11:00 p.m. on August 20, 1968. The invasion occurred only two months after a NATO ministerial meeting at Reykjavik in June that had acknowledged the apparent success made toward détente with the Soviet Union.¹⁷⁷ In fact, NATO had then even passed a resolution that had called for additional force reductions from Europe, a reflection of what had been prematurely seen as a period of lessened tensions.¹⁷⁸ The invasion also devastated early overtures by Western Europe to the East, especially by France and Germany. The invasion also briefly reminded NATO member nations of the shared sense of purpose they had in the defense alliance, just a year before any member could voluntarily withdraw from NATO once the original 20-year treaty expired, on August 24, 1969.¹⁷⁹

The remarkable thing about the invasion was that NATO's Military Committee had warned about the prospect of such a Soviet maneuver for years, noting on more than one occasion that "the potential enemy has the capability to mount a surprise attack on a considerable scale...one of the bases for NATO's military planning should, therefore, be the hypothesis of an attack with little or no strategic warning by some or all of the forces immediately available to the Warsaw Pact."¹⁸⁰ Contrary to historians who have since judged that Military Committee estimates such as those contained in an annual series of reports related to "Soviet Bloc Strength and Capabilities" have long been recognized as exaggerated, the Military Committee was the least surprised by the invasion. However, lacking the necessary conventional forces or the willpower of Western political leaders to stand up to the Soviet Union, the Military Committee

¹⁷⁷ NATO Information Service, *NATO: Facts and Figures* (Brussels: NATO Information Service, 1976), 63.

¹⁷⁸ Thomas A. Schwartz, *Lyndon Johnson and Europe: In the Shadow of Vietnam* (Cambridge: Harvard University Press, 2003), 216.

¹⁷⁹ *Nixon: The First Year of His Presidency* (Washington, D.C.: Congressional Quarterly, Inc., 1970), 19.

¹⁸⁰ NATO, MC, MCM-449-67, December 5, 1967, "Memorandum for the Defense Planning Committee."

knew there was little that NATO could do about such an attack. As the Committee reported in response to NATO force proposals for the period 1969-1973, "...these forces do not provide the means that would enable Allied Command Europe (ACE) to hold by conventional means, for more than an extremely short period."¹⁸¹ After all, how was NATO supposed to address a growing Eastern bloc threat with force levels that by the end of 1972 were predicted to be less than those that had been earmarked to the alliance at the end of 1967?

On the morning following the invasion, NATO received assurances from the Soviets that they had arrived in Prague and were there "on invitation." NATO military commanders looked to the United States for a response, but there was none.¹⁸² American policymakers failed to understand how urgently the Soviet intervention in Czechoslovakia impacted the European psyche, especially in West Germany. Although an emergency session of the National Security Council had been called that same day, the consensus among American policymakers was that little could be done, and, concurring with the Military Committee, that there were not military forces sufficient to take action anyway.¹⁸³ Meanwhile, the Soviets further strengthened their military position in Czechoslovakia by constructing facilities to store nuclear weapons beginning with the winter of 1968-1969.¹⁸⁴

In the days that followed, the North Atlantic Council continuously monitored the situation. More than anything else, the invasion caused a tidal wave of instability and speculation across Europe, especially for non-NATO countries, including Albania, Romania, and Yugoslavia. For example, the Romanian government, after an initial display of opposition toward the

¹⁸¹ NATO, MC, MCM-39-67, November 14, 1967, "Memorandum for the Defense Planning Committee."

¹⁸² Harlan Cleveland, "NATO after the Invasion" *Foreign Affairs* 47 (January 1969): 259.

¹⁸³ Lyndon B. Johnson Presidential Library (LBJ), National Security File (NSF), NSC Meetings, Box 2, "Notes on Emergency Meeting of the National Security Council, August 20, 1968."

¹⁸⁴ Petr Luňák, "War Plans from Stalin to Brezhnev" in Vojtech Mastny, et. al, eds., *War Plans and Alliances in the Cold War: Threat Perceptions in the East and the West* (New York: Routledge, 2006), 89.

invasion of Czechoslovakia—a reaction similar to those of numerous East European countries—became apprehensive over the possibility that the Soviets would strike there next.¹⁸⁵ The situation on the periphery of NATO was even worse, faced with an increasing threat created by the build-up of Soviet naval forces in both the Mediterranean and in the Norwegian Sea.¹⁸⁶ Moreover, for U.S. policymakers in the new Nixon administration, there was an expectation that the Soviet Union would remain quiet for a while after the invasion of Czechoslovakia in order to return to good graces with the West and allow the shock of the invasion to wear off. In a top secret report drawn up for President Nixon in the early days of the administration, the Pentagon concluded that the most that could be expected out of the Soviets in the near future would be a “nonnuclear attack with limited mobilization.”¹⁸⁷ The same report also suggested that further discussions between the United States and the Soviet Union should be conducted bilaterally, but that the United States “should continue to use the NATO forum as an ancillary and reinforcing forum for consultation, recognizing its limitation.”

NATO and Flexible Response

Following these two significant setbacks, the military leaders of NATO realized that an urgent reassessment of NATO doctrine was needed. As a result of the Harmel Report—a year-long study on “The Future Tasks of the Alliance”—NATO had adopted the strategy of “Flexible Response.”¹⁸⁸ Ever since the Cuban missile crisis in 1962, Soviet leaders believed that building a significant military deterrent was their most pressing need. In a game of catch up with the West,

¹⁸⁵ NATO, MC, MC-161-69, April 24, 1969, “A Report by the Military Committee on the Soviet Bloc Strength and Capabilities.”

¹⁸⁶ NATO, MC, IMSWM-308-68, November 11, 1968, “Memorandum for the Members of the Military Committee.”

¹⁸⁷ DNSA, Memorandum from Department of Defense to President Nixon, Undated [probably around February 20, 1969], “Response to National Security Study Memorandum #9, Review of the International Situation’ as of January 20, 1969, Volume III, Western Europe.”

¹⁸⁸ Stanley Sloan, *NATO's Future: Toward a New Transatlantic Bargain* (Washington, D.C.: National Defense University Press, 1985), 44.

they believed they were greatly outnumbered by allied Inter-Continental Ballistic Missiles (ICBMs), heavy bombers, and submarines.¹⁸⁹ In response to this build-up, the allied strategy of Flexible Response set forth that:

The Alliance should possess adequate conventional forces, land, sea, and air, many of which are supported by tactical nuclear weapons. They should be designed to deter and successfully counter to the greatest extent possible a limited non-nuclear attack and to deter any larger non-nuclear attack by confronting the aggressor with the prospect of non-nuclear hostilities on a scale that could involve a grave risk of escalation to nuclear war.¹⁹⁰

However, such a strategy, NATO's military commanders immediately knew, was wishful thinking. Besides the significant setback of French withdrawal, reductions in conventional force commitments by other member nations forced the Military Committee to conclude that "the full flexibility of NATO's strategy is being undermined by a policy of piecemeal withdrawal of conventional forces immediately by redeployment or reduction by individual NATO nations."¹⁹¹ Even after the Soviet invasion of Czechoslovakia, which provided a brief allied rallying point, every NATO nation except Belgium and the United Kingdom continued to project substantial cuts in forces earmarked to NATO.¹⁹² In addition, there were renewed concerns over recent increases in Soviet maritime activities where NATO was considered weak, such as in the Mediterranean Sea and the Danish Straits.¹⁹³ In the case of the latter, we now know that until the 1980s the Warsaw Pact actually maintained and regularly updated a war plan that involved the seizure of Denmark by East German forces.¹⁹⁴ In the face of such aggression, NATO military commanders asked themselves, how "flexible" could NATO's response afford to be? In the

¹⁸⁹ Central Intelligence Agency. Directorate of Intelligence. "Soviet Nuclear Doctrine: Concepts of Intercontinental and Theater War." National Intelligence Estimate (NIE). July 1973.

¹⁹⁰ NATO, MC, IMSWM-270-68, September 26, 1968, "Memorandum for the Members of the Military Committee."

¹⁹¹ NATO, MC, IMSWM-208-68, December 2, 1968, "Memorandum for the Members of the Military Committee."

¹⁹² NATO, MC, MCM-1-69, January 7, 1969, "Memorandum for the Defense Planning Committee."

¹⁹³ Central Intelligence Agency. Directorate of Intelligence. "Trends and Prospects in Soviet Maritime Activities." National Intelligence Estimate (NIE) Number 11-10-69. June 12, 1969.

¹⁹⁴ Frede P. Jensen, "The Warsaw Pact's Special Target: Planning the Seizure of Denmark" in Mastny, 95.

northern zone, where potential enemy targets were Norway and Denmark, NATO maintained permanent bases in West Germany and the United Kingdom only, and in the south, where it was thought the Soviets might strike Italy, Turkey, or Greece, permanent bases existed only in those three countries, as well as more distant Spain.¹⁹⁵

An additional shortcoming of the strategic doctrine of flexible response at the time was an impasse between member nations over preferred military alternatives and estimates of Eastern should be pursued. In the United States, there were fundamental disagreements in projections of Warsaw Pact strength and intentions between policymakers in the White House, the Pentagon, and the Central Intelligence Agency, for example over the range and payload of Soviet ICBMs.¹⁹⁶ At one point, the disagreements became so intense between the White House and the CIA, that Secretary of Defense Melvin Laird had to intervene simply to allow Director of Central Intelligence Richard Helms to remain in future policy discussions during National Security Council meetings after he had been declared *persona non grata*.¹⁹⁷ Meanwhile, Europeans also differed over whether or not the time had come to pay for a greater share of their defense, and to make plans to rely less and less on the United States.¹⁹⁸ However, the greatest shortcoming of all was the NATO strategy of Flexible Response itself. Had Europeans really considered what that meant—that it implied that Europe would act as a nuclear battlefield in a chess match of tactical “small nukes”? And, was the American nuclear guarantee still truly credible? Leaders in both Germany and France had doubts.¹⁹⁹ NATO’s military leaders recognized before anyone else, except perhaps the French, that flexible response was obsolete before the ink was dry on the

¹⁹⁵ Office of the Secretary of Defense. “Overseas Military Base Structure, May 1974.”

¹⁹⁶ Richard Helms, *A Look Over My Shoulder: A Life in the Central Intelligence Agency* (New York: Random House, 2003), 385.

¹⁹⁷ Helms, 384.

¹⁹⁸ Rainer Barzel, *Bundestagereden* (Bonn: AZ Studio, Pfattheicher & Reichardt, 1971), 232.

¹⁹⁹ Lawrence S. Kaplan, “Reflections on the U.S. and NATO in the 1960s” in Christian Nuenlist and Anna Locher, eds., *Transatlantic Relations at Stake: Aspects of NATO, 1956-1972* (Zurich: Center for Security Studies, 2006), 237.

Harmel Report, even while many political leaders clung to the doctrine for years more. The Military Committee concluded:

NATO ground/air forces remain inadequate to counter by conventional means major conventional aggression by Warsaw Pact forces. Their ability to force the aggressor to face up to the danger of deliberate escalation to nuclear warfare is marginal...The Military Committee therefore considers that the planned NATO forces [for 1969 through 1973] fall short of the levels and standards suitable for the conduct of the strategy of flexibility in response and thus confront the Alliance with serious risks.²⁰⁰

NATO and Nixon

The arrival of Richard Nixon in the White House in January 1969 was an opportunity to reappraise America's role in the world and to set a new course for East-West relations. The new president wasted no time in doing so, either, requesting a review of U.S. policy toward NATO on his first full day in office, on January 21, 1969.²⁰¹ Two days later Nixon requested a second major study, a "review of the international situation", which was accompanied by 52 pages of questions on nearly every conceivable foreign policy issue to be potentially faced by the new administration.²⁰² Nixon also recognized the need to end American involvement in the Vietnam War, although not at any cost, and he more generally saw the limitations of American power.²⁰³ Moreover, although much has been made in recent scholarship over the divisions and disagreements between the White House and the State Department under Secretary of State William Rogers, there was no such disagreement over the initial reformulation of American policy toward NATO in the early days of the Nixon administration. Writing only a week into the new administration, Rogers made it clear to his State Department chiefs that the new American policy would be placing "relative priority" toward "efforts at détente in contrast at strengthening

²⁰⁰ NATO, MC, MCM-1-69, January 7, 1969, "Memorandum for the Defense Planning Committee."

²⁰¹ DNSA, Memorandum to the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, the Director of Central Intelligence, and the Chairman, Joint Chiefs of Staff, January 21, 1969, "Review of NATO Policy Alternatives."

²⁰² DNSA, Memorandum to the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, and the Director of Central Intelligence from Henry Kissinger, January 23, 1969, "Review of the International Situation."

²⁰³ Kaplan, *NATO and the United States*, 111.

the NATO alliance.”²⁰⁴ However, how could the Atlanticist President Nixon so quickly abandon the Atlantic alliance, preferring bilateral talks with the Soviets over dialogue through NATO, even the same week as his visit to Europe in which he assured European political leaders of his commitment to NATO? Henry Kissinger’s writings in the days following Nixon’s state visits to Europe at the end of February and beginning of March 1969 hold the answer: “We have not had strong pressure from the Europeans to increase the size of our strategic forces, and the Europeans have not opposed our efforts to enter negotiations with the Soviets on limiting strategic missile systems.”²⁰⁵ Therefore, the new American policy of increasing efforts toward détente and reducing the strategic capability of NATO was already set in motion during the first weeks of the administration.

In addition to the private backchannel communications with the Soviet Union and the People’s Republic of China that followed, Nixon publicly solidified his convictions through two actions early in his administration. First, the week after returning from his European summit tour, he decided to ratify the previously dormant Non-Proliferation Treaty as a conciliatory gesture toward the Soviets.²⁰⁶ Although this action worried American allies such as Germany, as the German government was concerned it would become a neutral country between East and West without a nuclear umbrella, American policymakers were determined to pursue a closer relationship with the Soviet Union, even though bodies such as the National Security Council knew taking such a course would cause great pressure on transatlantic relations. In a discussion during an NSC meeting on February 19 on the topic of East-West relations, the NSC concluded

²⁰⁴ DNSA, Memorandum to John Leddy from William Rogers, January 28, 1969, “NSSM 10 on East-West Relations.”

²⁰⁵ DNSA, Memorandum to the Secretary of Defense from Henry Kissinger, February 3, 1969, “Technical Issues Concerning U.S. Strategic Forces.”

²⁰⁶ DNSA, Memorandum to the Vice President, the Secretary of State, the Secretary of Defense, the Director, Arms Control and Disarmament Agency, and the Chairman, Atomic Energy Commission from Henry Kissinger, February 5, 1969, “Presidential Decision to Ratify Non-Proliferation Treaty.”

that “although we...consult with our allies, we should not permit them to have a veto on our actions provided we ourselves are convinced they are consistent with allied interests.”²⁰⁷ That certainly reads as a severe conclusion for a new administration that claimed early on that it would fully consult with American allies on East-West relations. However, what Nixon realized very early, as he saw himself on his 1969 state visits, were the great divisions between the allies on NATO. After consulting with European allies early in 1969, Nixon had come to the conclusion that the various positions in the transatlantic alliance on important subjects such as the Soviet Union, NATO, and East-West relations could not be bridged, so right away he knew that full consultation with American allies would not be possible, and that *détente* could not be pursued through the vehicle of NATO. For example, Nixon learned early in 1969 that new Canadian Prime Minister Pierre Trudeau was conducting a full foreign and defense policy review, with the intention of a gradual lessening of the Canadian commitment toward NATO. Also, Nixon discovered that anti-NATO sentiment was stronger in Denmark and Iceland than he had originally thought. Even steadfast NATO members such as Belgium and Luxembourg were questioning their future commitment to the defense alliance after years of *détente* seemed to suggest a reduced threat to the West. These two nations were also among the first to suggest an increased political role for NATO in lieu of being a strictly defensive pact. Finally, while the nations with shared borders with the Warsaw Pact—including Germany, Norway, Greece, and Turkey—all continued to be strong NATO supporters, they, and nations such as the United Kingdom and United States had domestic budgetary problems that continued to mean that maintaining a strong NATO commitment was becoming more and more difficult. To add yet another degree of complexity, some of these nations continued to support NATO not because

²⁰⁷ DNSA, Memorandum to Office of Vice President, Office of Secretary of State, Office of the Secretary of Defense, and the Office of the Director, OEP from Richard N. Moore, February 18, 1969, “NSC Meeting, February 19.”

they perceived a continued threat from the East, even after the 1968 Soviet invasion of Czechoslovakia, but because they believed that a weakened NATO would hasten the eventual rearmament of Germany.²⁰⁸ With all of these divisions in NATO combined with Pentagon and CIA estimates that the Warsaw Pact most likely posed no immediate threat after invading Czechoslovakia, it is sensible to see how senior American policymakers came to the conclusion that the best approach toward détente might be an entirely new approach, which included direct dialogue with American adversaries. Therefore, on the very week after President Nixon returned from Europe during his February-March 1969 visit, various National Security Council subgroups began work toward a new approach, having concluded that “Western Europe is overriding importance, but nuclear deterrence in Europe is no longer credible...we need a conventional option.”²⁰⁹

Then, second, during a June 1969 speech at Guam, Nixon announced what later became known as the Nixon doctrine, the first major revision to the Truman Doctrine from nearly a quarter-century earlier. Stated briefly, the Nixon Doctrine meant that while the United States would keep its existing treaty obligations, American commitments around the world would henceforth be appropriated on a more realistic scale. In Europe, specifically, many Americans had already concluded that the American role in Europe had been largely completed, especially since there had not been another major armed conflict on European soil since World War II.²¹⁰ Therefore, it was hard to understand why 300,000 American GIs remained in Europe. For Nixon, who in the weeks before his Guam speech had requested an urgent “inventory” of the “world

²⁰⁸ DNSA, Memorandum from Department of Defense to President Nixon, Undated [probably around February 20, 1969], “Response to National Security Study Memorandum #9, Review of the International Situation’ as of January 20, 1969, Volume III, Western Europe.”

²⁰⁹ DNSA, Memorandum from Colonel John C. Bard, Department of State to members of NSSM #3 Political Subgroup, March 4, 1969.

²¹⁰ Brzezinski, 16.

situation” from the National Security Council, however, his speech was a signal to the Soviet Union that he was prepared to publicly amend an American doctrine that at the end of World War II stated that the United States was prepared to mobilize forces to defend any people anywhere against aggression.²¹¹ This opportunity that Nixon had chosen to signal to the Soviet Union that his public rhetoric matched his backchannel assurances came at a moment of triumph for United States foreign policy: the return of American astronauts from their successful voyage to the moon. Yet, from that position of obvious strength Nixon signaled a reduced external American role in the year ahead. The irony was striking, yet Nixon indicated to the Soviets that a period of scaled back overseas involvement had begun. Although this may have been the first public pronouncement that Nixon had made on the subject, the idea had been in the works for some time. As far back as early March, Henry Kissinger had indicated to the necessary principals in the administration that the president wanted a study drawn up on the possibility of beginning strategic arms limitations talks directly with the Soviet Union. He had requested the study completed by spring 1969, as if Nixon knew even then that he was planning to make some type of announcement during the summer.²¹² Therefore, the selection of Guam for such an announcement was perfectly choreographed. What other occasion could better rally the country during an otherwise difficult time at home and abroad, and guarantee such wide attention? Finally, it is also worth noting that Nixon viewed his decision to permit a scaled down American conventional presence around the world—whether in Southeast Asia or in NATO—as a sign of strength, not weakness. While less NATO forces along the Warsaw Pact border may have given

²¹¹ DNSA, Memorandum from Robert Osgood to Members of NSC Staff, “An overview of the world situation”, May 21, 1969.

²¹² DNSA, Memorandum from Henry Kissinger to the Secretary of State, the Secretary of Defense, the Director, Arms Control and Disarmament Agency, the Director of Central Intelligence, the Chairman, Atomic Energy Commission, and the President’s Science Advisor, “Preparation of U.S. Position for Possible Strategic Arms Limitation Talks”, March 6, 1969.

comfort to the Soviet Union, as long as Nixon showed the Soviets he was willing to use unconventional tactics elsewhere, for example in negotiating the end of the American commitment in Vietnam, including heavy bombing and mining, Nixon wanted to at least leave in the back of the minds of Kremlin policymakers a reminder that he certainly was no dove and could become hawkish quickly should the Soviet Union misbehave again after the invasion of Czechoslovakia. At least the possibility of such an American return to the use of force was clear at the highest levels of the British government, which had concluded that “[the] U.S. concern [is] to reassess the present and possible future threat to NATO, rather than to continue to react to the one which existed in the late 1940s.”²¹³ However, such force was not needed. Nixon was told that the Soviets reciprocated the American interest for arms talks and that an “initiation of talks will probably be taken by the Soviets as confirmation of our intention to enter an era of negotiations with the USSR. An agreement could have far-reaching effects. The most direct effect could be to introduce more stability and less uncertainty into the U.S.-Soviet strategic relationship.”²¹⁴

As noted earlier, one of the first major actions of the new Nixon administration was a series of state visits to Western Europe. In a speech before the NATO North Atlantic Council, Nixon reaffirmed that “the era of confrontation” between Cold War superpowers was over, and that an “era of negotiations” would begin. Hearing that, many Europeans concluded that the United States had finally admitted that there were limits to American power, even while it was not clear if the Soviet Union had yet reached its limit. That prospect was a little unsettling for some Europeans, as Nixon saw when he suggested that he would permit the next Supreme Allied Commander Europe (SACEUR) to be a non-American, after outgoing SACEUR General Lyman

²¹³ British National Archives (PRO), PREM 13-3383, “Future of NATO; withdrawal of France; U.S. forces reduction in Europe; part 5.”

²¹⁴ DNSA, Memorandum from John Walsh to Henry Kissinger, “Briefing on NSSM-28”, June 17, 1969.

Lemnitzer retired, Europeans unanimously preferred another American, General Andrew Goodpaster.²¹⁵ On that trip, Nixon also had some success in smoothing over some remaining differences between French President Charles de Gaulle and American policy toward Europe. However, just because Nixon found de Gaulle as someone he both admired and with whom he could work, that did not mean that France would rejoin the NATO integrated command. Nixon seemed to understand de Gaulle better than most Americans, and they got along well, as evidenced by the ten hours of private meetings they held during that visit alone. No doubt part of the warmth between the two leaders had stemmed from the fact that de Gaulle had always welcomed Nixon's unofficial visits during the 1960s while the former vice president was out of office. De Gaulle concluded then that Nixon was someone who "had a future."²¹⁶

Nixon himself claimed that he went to Europe in early 1969 to "reaffirm America's commitment to partnership with Europe."²¹⁷ Nixon claimed that past American administrations had failed to adequately consult with Europe, particularly on NATO and defense matters, even though Nixon himself would later suffer similar criticism. Perhaps unfairly, the new American president did start European hopes off very high. But Nixon also knew that it was time for Europe to pay a greater share of its defense burdens if for no other reason than because growing sectors of American public opinion were generally becoming more inward-looking and isolationist. As a result, with NATO's force depletions becoming more acute, Nixon recognized that in the era of détente that there was a significant opportunity to remake the mandate of NATO rather than to allow the alliance to wither on the vine after the expiration of its 20-year mandate. Nixon also felt more than qualified to take on such a task. Earlier in his political career, Nixon had taken part in the Herter Committee in 1947, led by U.S. Congressman Christian

²¹⁵ Cleveland, 128.

²¹⁶ Jean Lacouture, *De Gaulle: The Ruler, 1945-1970* (New York: Norton, 1992), 385.

²¹⁷ *Nixon: The Second Year of His Presidency* (Washington, DC: Congressional Quarterly, Inc., 1971), 58a.

Herter, whose report on the condition of postwar Europe ultimately led to the Marshall Plan. Nixon saw the devastation of World War II as well as the immediate need for American protection of Europe while the continent rebuilt itself, and he himself had always been pro-Europe while at the same time no one could question his anti-communist credentials.

However, by 1969, Nixon saw that conditions in Europe had changed. Postwar reconstruction had long since been completed, and by the late 1960s the United States was paying twice as much on defense as a percentage of its GNP than Europe, 7 percent to 3.5 percent, respectively.²¹⁸ Nixon recognized that as part of the new Nixon Doctrine, the United States could not continue to shoulder the lion's share of the burden for European defense. The major difficulty in formulating a new American NATO policy in the Nixon administration was that in the United States, there was a division between the White House and the National Security Council on the one side, and the Department of State and the Pentagon on the other. In addition, there were also differences in viewpoints between the United States and the other NATO member countries. For example, only weeks after Nixon's visit to NATO headquarters to reaffirm the American commitment to the alliance, the National Security Council had suggested that NATO was no longer needed in a climate of détente, and that "it is possible to envisage alternatives to NATO that entail its disappearance or its being supplanted by new institutional arrangements."²¹⁹ On the one hand, Europeans considered that the ever-present Soviet threat, if declining, meant that a strong American nuclear deterrent was still needed, but on the other hand, the U.S. felt that in order to reduce tensions with the Eastern bloc, a new NATO strategy based on the implementation of flexible response, meaning a greater emphasis on conventional forces, should be carried out. These differences between the American and European points of view

²¹⁸ Richard Nixon, *1999: Victory Without War* (New York: Simon and Schuster, 1988), 203-204.

²¹⁹ Digital National Security Archive (DNSA), Memorandum from Martin Hillenbrand to Henry Kissinger, "NATO Policy Review—NSSM 6", March 17, 1969.

eroded remaining cohesion in the West. While the U.S. government continued to pursue its conventional forces-based approach in order to reduce the likelihood that nuclear war would occur in Europe between East and West, the Europeans interpreted this new American approach as a refusal to honor the “nuclear guarantee” to protect Europe in the case of war.

In addition, Nixon had also over time made it clear that in implementing his “era of negotiations” that he preferred to go about this via bilateral talks with the Soviet Union and China rather than multilaterally through NATO. After witnessing the never ending series of crises in transatlantic relations over the previous decade, Nixon knew that a different approach was merited. Not long after Nixon’s return from Europe early in his administration, he signaled his willingness to begin a direct dialogue with the Soviet Union. By that summer, Soviet Foreign Minister Gromyko reciprocated the interest in holding talks especially aimed at reducing tensions over access to Berlin.²²⁰ As it became clearer that Nixon preferred to conduct American foreign policy either secretly or bilaterally, Nixon had an increasingly hard time attracting diplomats to take ambassadorial posts at critical locations such as at NATO. Long-vacant ambassadorial posts only further eroded the American reputation in multilateral forums and caused additional strains on transatlantic relations. For example, after Nixon appointed 1968 campaign aide Robert Ellsworth as U.S. Ambassador to NATO, when the post became vacant again in 1971, Nixon and Kissinger had a difficult time finding anyone to take the post. Kissinger knew that a “towering figure” was needed to recover American prestige, so he and the president approached an aging John J. McCloy in November 1971. Nixon leaned hard on McCloy, who requested a few days to give his response. During his deliberation Kissinger badgered him at Nixon’s prompting with

²²⁰ Central Intelligence Agency. Directorate of Intelligence. “Central Intelligence Bulletin.” July 15, 1969.

inducements such as “I really think the country needs you right now.”²²¹ This occurred even though Kissinger’s primary concern was not NATO or that he thought the often-consulted McCloy could be any more helpful inside the administration than he had already been outside of it, but rather doing something about the general feeling among American allies that the U.S. cared more about having good relations with adversaries than allies. Kissinger noted, “we’re going to Moscow, but Japan is a mess. Western Europe is a mess. We’ve given up our friends to our enemies.”²²² Nonetheless, Nixon eventually arrived at a possible solution. The previous July Nixon had mentioned to the youngest member of his administration, Donald Rumsfeld, the possibility of taking the post at NATO. Although Rumsfeld had no international or foreign policy experience, Nixon knew he was loyal and that Rumsfeld wanted to cut his teeth on international affairs. Moreover, if a good appointment to NATO was not possible, it was assumed that at least Rumsfeld would not be a bad appointment. The most fascinating part of this story is that although Rumsfeld knew that Ellsworth had been dumped at NATO and therefore told Nixon that as an aspiring politician he did not want the American public to think he had been dumped there, that is exactly what happened. Nixon assured Rumsfeld that should he accept the posting that he would not be dumped there, but when Rumsfeld exited the Oval Office Nixon said he wanted Rumsfeld dumped out of Washington.²²³ Nixon’s rationale was that Rumsfeld was beginning to talk publicly about what his role would be during the 1972 reelection campaign, and with at least a few people suggesting he could be a potential nominee for Vice President, Nixon wanted him as far from the campaign trail as possible. So, that was how Donald Rumsfeld

²²¹ Nixon Tapes, WHT 14-62, phone conversation between Henry Kissinger and John J. McCloy, November 11, 1971.

²²² Nixon Tapes, EOB 295-14, conversation between President Nixon, Henry Kissinger, Pete Peterson, George Shultz, John Ehrlichman, and Bob Haldeman, November 16, 1971.

²²³ Nixon Tapes, OVAL 542-5, conversation between President Nixon and Donald Rumsfeld, July 22, 1971, 11:36 – 12:28 pm.

got his start in foreign and defense policy, as the U.S. Ambassador to NATO, after John J. McCloy refused the offer during late 1971.

Moreover, Nixon was also aware that his inability to maintain a first class United States Mission to NATO had damaged transatlantic relations, and at times he apologetically said as much to visiting representatives of foreign governments. For example, during an Oval Office meeting between President Nixon, Henry Kissinger, and a British delegation including Ambassador to Washington George Baring and Sir Burke Trend shortly before the 1972 American presidential election Nixon noted that “it’s not going to be a good time for NATO. It’s going to be difficult for you.” Nixon was reflecting on a disappointing American policy toward NATO, but also that he was personally restrained from making bigger contributions to the defense alliance because of growing isolationist sentiment in the U.S. Congress. Nixon summarized the problem: “The main thing I want you to assure the Prime Minister, I don’t give a damn if we lose the election, we are NOT going to cut the defenses, we are not going to turn back on our European policy, we are not going to turn isolationist in this country.” However, Nixon also used meetings such as this one to defend his direct dialogue with adversaries such as China and the Soviet Union, which Congress knew little of: “In Europe, if we start to back down, in my view, you’ve just opened the floodgates for a massive Soviet incursion.”²²⁴

Although publicly European leaders agreed with President Nixon’s tactics, as the British did during this meeting, privately they and other Europeans were much more fearful about the future of NATO. In fact, briefing papers for a planned summit during mid-December 1972 between President Nixon and Prime Minister Heath indicate Foreign and Commonwealth Office concern that:

²²⁴ Nixon Tapes, OVAL 756-21, conversation between President Nixon, Henry Kissinger, George Baring, and Burke Trend, July 28, 1972, 2:09 – 2:42 pm.

On the American side, there has been recent evidence that less attention is being paid to consultation with NATO. This has encouraged a suspicion on the part of their Allies that the Americans attach more importance to their bilateral relations with the Soviet Union than to Allied interests and susceptibilities. This has been noticeable in the course of the NATO preparations for MBFR negotiations and in certain aspects of SALT.²²⁵

Although American forces in Europe had remained steady the previous years, actually increasing from 300,000 in 1970 to 320,000 by 1972, these figures were still dramatically off their peak deployment of 434,000 in 1964. With numerous other issues yet to be resolved in transatlantic relations, including monetary and trade agreements following the collapse of Bretton Woods, and defense and political cooperation that became part of the 1973 American policy the “Year of Europe”, the British recognized early that “indeed we may well be faced, sooner or later, with the argument that a satisfactory solution of Community/U.S. trade and monetary problems is a necessary condition for maintaining U.S. force levels.”

NATO's Transformation

Saddled with these crises, NATO was forced to begin a transformation that to some degree has continued to the present day. This transformation began after Charles de Gaulle's withdrawal of French forces from NATO's integrated command, and was confirmed during the Helsinki Final Act of 1975. Although NATO's original 20-year mandate expired in 1969, President Nixon and his European allies were hesitant to dispose of the alliance. NATO had fulfilled its mission by preventing a war between East and West on European soil, even while the Cold War had evolved into a more diffuse struggle both in terms of substance and geography, increasingly distant from Europe. Although the United States and the Soviet Union remained the superpowers, previous threats of conflict in Europe had essentially neutralized Europe and made a conflict there less likely through the backchannel diplomacy of the Nixon administration with

²²⁵ British National Archives (PRO), FCO 41-987, “Proposed Meeting Between Prime Minister of United Kingdom and President of United States: Defense Questions” (written probably the first week of December 1972 for a planned Heath/Nixon summit scheduled for second week of December).

the Soviet Union and China. Meanwhile, the Soviet Union also recognized that the risks of another military adventure after the suppression in Czechoslovakia were simply too high, and the Kremlin instead preferred to flex its muscles in places like South Asia and the Middle East. With NATO reacting to events further and further from its new home in Belgium, the mandate of the alliance was gradually eroded. The contribution of President Nixon in the short run was to further erode the credibility of the alliance while he spoke for the entire West during bilateral U.S.-Soviet discussions, but as a result, NATO evolved into an increasingly political organization that learned to do much of the lower level work on issues such as Mutual Balanced Force Reductions and the Helsinki Accords once political agreement had been reached at the highest levels of the American and Soviet government.

Therefore, until French withdrawal and the Soviet invasion of Czechoslovakia in 1968, NATO operated as a defensive military organization often out of harmony with member nation politicians and their domestic budgetary considerations. Up until that point, member nation appropriations of materiel for NATO became increasingly difficult due to domestic budgets in which NATO had no representation to make its case for ongoing earmarks while at the same time member nations often felt that NATO had too little accountability in an era of increasing détente for those forces pledged. Moreover, NATO military commanders recognized much earlier than most politicians that the strategy of flexible response was outmoded. In fact, the only political leaders who realized this were the French, who, combined with a desire to reassert influence in Europe, withdrew from NATO to pursue the development of an independent nuclear deterrent. Out of these challenges, the early stages of rehabilitation of NATO took place on two fronts: one political and one military. The new American government under Richard Nixon quietly downgraded its presence in multilateral settings, including NATO, to pursue bilateral

talks aimed at reducing tensions with the Soviet Union and the People's Republic of China. This came at a great cost of lost goodwill toward the United States in multilateral settings such as NATO, as a number of American friends felt subordinated to negotiations with long-standing American enemies. Before Nixon entered office in January 1969, President Lyndon B. Johnson administration had advised Nixon to restart talks to bring closure to the Anti-Ballistic Missile Treaty, and indeed that was one of Nixon's first moves in 1969. The Soviet willingness to go along was a result of a desire to limit competition in an area where the Soviets perceived American technological advantages, and probably thought that they had little to lose.²²⁶ As the Soviet thinking went, why not get credit for agreement in an area that involved a reduction in American strength where the Soviets knew they already had a comparative disadvantage? Following West German consent on the ABM treaty, as well as the signing in Bonn of the Non-Proliferation Treaty by the new Social Democratic Party government led by Chancellor Willy Brandt, on November 29, 1969, Soviet Foreign Minister Gromyko indicated a willingness to deepen negotiations, including reducing tensions over Berlin.²²⁷ For the Soviets, what they saw as the major obstacle to peace—a potentially rearmed and nuclear-powered West Germany—had been removed, allowing further talks over Berlin to go forward.

The result was the Four Power Agreement on Berlin, the first written agreement on Berlin reached by the four powers responsible for their respective city zones since 1949. The agreement was signed on September 3, 1971, and immediately triggered new talks directly between East and West Germany that began three days later. The result of those inter-German talks was another treaty signed November 8, 1972. Coming in rapid succession, these treaties were the direct result of difficult dialogue on a backlog of East-West issues that had built up for

²²⁶ Central Intelligence Agency. Directorate of Intelligence. "Soviet Nuclear Doctrine: Concepts of Intercontinental and Theater War." June 1973.

²²⁷ Central Intelligence Agency. Directorate of Intelligence. "Central Intelligence Bulletin." July 15, 1969.

two decades. These treaties negotiated at the highest political levels made NATO's eventual transformation possible. While political negotiations were responsible for reaching agreement in principle between the United States and the Soviet Union, NATO's military leaders continued to produce the most depressing assessments of allied strength. However, progress began on a few fronts. The Supreme Allied Commander Europe completed an essential reorganization of CENTAG and other areas formerly supported by French forces, and to overcome difficulties related to avoiding overflight of French territory.²²⁸ Critical agreement was also made between NATO nations in intelligence sharing, specifically related to improved surveillance of Soviet Bloc activities at sea.²²⁹ Concerned with the growing global Soviet naval presence and the role that Warsaw Pact naval forces could potentially play in future acts of aggression, the Military Committee agreed on a goal to obtain real-time locating and tracking information of naval vessels. Finally, the Military Committee also successfully organized on other avenues to reduce East-West tensions, such as exchanging observers at NATO and Warsaw Pact military maneuvers, agreeing to provide advance notification to the Warsaw Pact of NATO military movements, and vice versa, and agreement to prohibit military maneuvers on borders.²³⁰

Whether the progress that contributed to NATO's transformation was political or military in nature, the trend was that major tensions were first discussed bilaterally between the United States and the Soviet Union and then once those were resolved, multilateral settings such as NATO regained their forum for negotiation. NATO had finally taken its first steps after hitting bottom, and somewhat ironically, these reforms were triggered by French withdrawal. Before withdrawal, when France was a member on NATO's Defense Planning Committee (DPC) and Military Committee (MC) there was never any consensus on advice to the Supreme Allied

²²⁸ NATO, MC, MCM-2-69, January 7, 1969, "Memorandum for the Secretary General."

²²⁹ NATO, MC, MCM-31-69, May 7, 1969, "Memorandum for the Secretary General."

²³⁰ NATO, MC, MCM-313-69, December 15, 1969, "Memorandum for the Members of the Military Committee."

Commander Europe.²³¹ After the French left NATO, President Nixon and American policymakers did not feel as guilty for quietly deemphasizing diplomatic posts at Brussels and pursuing bilateral negotiations with the Soviet Union and China. The departure from the multilateral setting of NATO by a major Western nation in France made it more acceptable for the United States to negotiate bilaterally, so the American thinking went. Furthermore, American action set the pattern for West German negotiations with East Germany, other nations of Eastern Europe, and the Soviet Union itself. By the signing of the treaty between East and West German treaty in November 1972, enough serious East-West challenges had been resolved bilaterally that negotiations could return to multilateral settings such as NATO. In fact, only two weeks later, NATO assumed a newly enhanced political role in the opening of the talks related to the Conference on Security and Cooperation in Europe (CSCE) on November 22, 1972. After three difficult years in the alliance during which it was a real challenge to find more than a handful of nations in agreement on much of anything, 35 nations were present at the CSCE talks in Helsinki. The CSCE talks eventually culminated in the Helsinki Final Act in 1975, which was probably the closest thing that Europe ever had to a true postwar settlement. Parallel to these talks, negotiations related to Mutual Balanced Force Reductions (MBFR) began in Vienna on January 31, 1973, resulting in less allied and Warsaw Pact troops in Europe, reducing the likelihood that a major conflict could occur. While French withdrawal had originally wounded NATO and meant that key treaties that composed what we knew as the process of détente were conducted bilaterally, in the long run, French withdrawal allowed NATO to operate more efficiently than it ever had before.

By late 1972, when American NATO policy had become integral to the 1973 “Year of Europe” policy, recently released documents show that the entire tenor of discussions in the

²³¹ Lawrence Kaplan, *The Long Entanglement: NATO's First Fifty Years* (Westport, CT: Praeger, 1999), 134.

NATO North Atlantic Council had progressed. West German Foreign Minister Walter Scheel spoke of “the amazing development of the Alliance from a predominantly military organization to an increasingly political body characterized by its active preoccupation with active negotiations and initiatives for détente.”²³² Meanwhile, Soviet authorities also seemed pleased, noting that U.S.-Soviet relations had passed an historic and fundamental turning point.²³³ While the historiography of Nixon foreign policy rightly concludes that the Nixon era was one of reduced tensions—virtually eliminating the chance that war could occur again on the European continent—the historiography has also tended to oversimplify this achievement as a *fait accompli* by failing to recognize the difficulties that NATO had to endure before tensions could be lessened. Because of internal tensions in NATO, such as disagreement over the future mandate of the alliance and the reliability of the American nuclear guarantee, that led to French withdrawal. That also meant that tensions between East and West, such as assurances that Germany would not rearm, were addressed outside of NATO between the superpowers. It was only when those tensions were healed that tensions internal to NATO could be addressed. For NATO military commanders, the period after French withdrawal and especially the Soviet invasion of Czechoslovakia saw the alliance hit bottom. The strategic doctrine of the alliance was in doubt, Soviet strength was perceived to be increasing, and new governments came to power in nearly every major Western nation between 1969 and 1970, causing NATO military commanders to be out of sync with these new political leaders, as many of them did not share the collective memory of the devastation of World War II in the same way as the previous generation and therefore did not have the same deep moral commitment to postwar alliances such as NATO. These new governments had a lot of enthusiasm, but not a great understanding of

²³² NATO, Walter Scheel address to North Atlantic Council, December 7, 1972, Record C-VR(72)60 Part I.

²³³ Central Intelligence Agency. Directorate of Intelligence. “Soviet Strategic Arms Programs and Détente: What Are They Up To?” Special National Intelligence Estimate (SNIE) Number 11-4-73. September 10, 1973.

the challenges faced by the military commanders in the alliance, or a plan to fix them. Newly released NATO documents do not merely confirm for us that the Nixon era was one of reduced Cold War tensions, but they also demonstrate how unlikely NATO's military commanders could have envisaged such a transformation of the alliance just a few short years after the most severe crises in the history of the alliance. Bilateral breakthroughs in relations between the United States and the Soviet Union allowed NATO to allocate resources less to defend against a possible wide-scale conventional or strategic attack in Europe and more toward diplomacy and East-West dialogue that had been lacking during the 1960s when tensions between the United States on the one hand, and China and the Soviet Union on the other had been higher.

Conclusion

By 1973, NATO was again a topic of importance to President Nixon, after his successful reelection and the summits a year earlier in China and the Soviet Union. As part of an overall review of American foreign policy with respect to Europe, Henry Kissinger wrote the secretaries of State and Defense, as well as the Director of Central Intelligence in February 1973 to request a “comprehensive study of NATO strategy, U.S. policy choices and programs supporting the NATO allies.” Furthermore, the creation of this study was “to be given the highest priority.”²³⁴ This increased interest in NATO and transatlantic relations was the centerpiece of the American policy the “Year of Europe” (which is discussed in a later chapter of the same name) in which Nixon and Kissinger sought to strengthen the Atlantic alliance and NATO after focusing on bilaterally reducing Cold War tensions with adversaries China and the Soviet Union. This initiative was intended to be just as bold an assertion of American foreign policy creativity as the secret overtures to the Soviet Union and China had been, and was conducted with a similar level

²³⁴ DNSA, Memorandum from Henry Kissinger to the Secretary of State, Secretary of Defense, and the Director, Central Intelligence, “U.S. NATO Policies and Programs”, February 13, 1973.

of secrecy and reliance on backchannel communications. Some critics have suggested that the swing in Nixon's attention back toward Europe beginning in 1973 was a reaction to criticism that he had ignored Europe the previous four years. Critics base this argument on the Nixon promise during the February and March 1969 visits in which he claimed that Europe would be a major priority of his administration. Whether that is a fair criticism or not, Nixon and Kissinger certainly intended for the review of American policy toward Europe and NATO in 1973 to right any past oversights.

However, the new American interest in NATO had come too late. The U.S. Congress had become more isolationist after the long end to American involvement in Vietnam and the difficult White House struggle to maintain promised U.S. forces stationed in Europe. The ambassadorial post at the U.S. Mission to NATO had remained vacant too long, and even at times when it was filled, either by Robert Ellsworth in Nixon's first term or Donald Rumsfeld in Nixon's second term, neither man had the credentials to meet the significant challenges faced by the post or had the ability to inspire much confidence in NATO member nations. Even Nixon had recognized this. After exiling Ellsworth to NATO early in his first term for his successful campaign work in 1968, Rumsfeld was equally exiled in 1972 so that Nixon could remove a rising political rival from Washington. In an Oval Office meeting between President Nixon, Henry Kissinger, Brent Scowcroft, and SACEUR General Andrew Goodpaster, Nixon admitted that Ambassador Rumsfeld was not equipped to handle the challenges of his post, and instructed trusted Nixon man Goodpaster to "have a long talk with Ambassador Rumsfeld" and to "take a personal interest in Rumsfeld and teach him the facts about NATO relationships."²³⁵ However, by 1973 it was a little late by that point for such a primer. In addition to the ongoing

²³⁵ Gerald R. Ford Presidential Library, Henry A. Kissinger Memoranda of Conversation, Box 1, Conversation between President Nixon, General Andrew Goodpaster, and Brigadier General Brent Scowcroft, February 15, 1973, Oval Office.

comprehensive review of American NATO policy, the United States sought to conclude the long-standing claims against France for the forced relocation of NATO beginning in 1966, and to reach yet another offset agreement with Germany in which to compensate for the foreign exchange costs of stationing American GIs in Germany, the German government agreed to purchase American armaments. The agreement with France was worth \$912.7 million and would have smoothed over some friction between the White House and the Congress over the budget and lessened the urgent calls to bring more American troops home.²³⁶ Meanwhile, had an offset agreement been satisfactorily concluded, the State Department estimated at the beginning of 1973 that the cost of stationing of American troops in Europe was approximately \$17 billion per year, making the need to reach an offset agreement with the Germans no less important.²³⁷ It was certainly no time for a neophyte ambassador at NATO whose first day on the job must have included a realization that these agreements should have been concluded years ago if there was ever going to be a chance of staving off isolationist sentiment in the Congress.

Although Nixon's interest in Europe and NATO began remarkably high in 1969, due to the divisions that Nixon discovered between NATO member nations during his visit to NATO in February and March 1969, Nixon chose to implement his new foreign policy doctrine of reducing Cold War tensions and more realistically assess American power around the world through secret, bilateral channels with China and the Soviet Union rather than using traditional multilateral channels such as NATO. NATO allies who were not privy to Nixon's secret overtures to these American adversaries felt abandoned between mid-1969 and 1973, and by the time American attention was again turned toward the needs of NATO early in Nixon's second

²³⁶ National Archives and Records Administration, Record Group 59, Central Foreign Policy Files (CFPF), Telegram from Secretary of State to U.S. Mission NATO, "NATO Claims Against France", March 14, 1973, State 047458.

²³⁷ CFPF, Telegram from Secretary of State to U.S. Mission NATO, "Cost of U.S. Forces in Europe", March 20, 1973, State 050624.

term, it had come too late. The American Congress was hesitant to appropriate the necessary funds to improve American forces stationed in Europe due to a by that time advanced deterioration in White House-Congressional relations, Congress was more interested in limiting growing executive power after Nixon took four years to bring American troops home from Vietnam, the Watergate investigations were taking shape, and European allies had become disenchanted with a heavy-handed American policymaking process that they felt had relied too much on secrecy and too little on consultations with allies before making important agreements that affected Europe. Besides the other challenges faced during the Year of Europe, which are discussed later, American policymakers knew as early as April 1973 that a complete overhaul of American NATO policy would not be possible. In fact, the National Security Council workgroup set up to study the problem wrote to Henry Kissinger on April 4 that while resolving the outstanding agreements with France and the Germans “could be a determining factor in influencing those 30-40 Congressmen who may determine the outcome of the troop deployment debate in Congress” the American overhaul of NATO policy was doomed because “it is the consensus of the Working Group that we cannot expect to get our Allies to increase their efforts to improve their forces and at the same time give us a genuine better deal on balance of payments offsets.”²³⁸ (original emphasis) Therefore, while NATO suffered in terms of a lack of necessary military appropriations from member nations, NATO had no choice but to go along with American proposals such as Strategic Arms Limitations Talks and Mutual Balanced Force Reductions, and the Soviet proposal for a European Security Conference which resulted in the Helsinki Accord of 1975.²³⁹ From the American point of view NATO compliance with these

²³⁸ DNSA, Memorandum from Phil Odeen to Henry Kissinger, “NSSM 170—Offsetting the Balance of Payments Costs with NATO”, April 4, 1973.

²³⁹ DNSA, Memorandum from Henry Kissinger to the Secretary of State and the Secretary of Defense, “Mutual and Balanced Force Reductions (MBFR)”, April 16, 1973.

various American negotiations was expected, since in Europe by 1973 “there is little sense of impending military attack or pressure; rather a basic sense of security prevails in NATO nations, buttressed by the array of East-West negotiations successfully concluded or initiated in recent years.” Although Europeans preferred a strong NATO, American policymakers knew that “virtually all the weapons in our current stockpile are based on the technology of the 1950s. Some believe the deterrent value of the stockpile suffers credibility because of the levels of collateral damage which would accompany most uses of these weapons.”²⁴⁰ In fact, there was no more direct communication of the basis for the new American policy toward NATO than a speech by American Ambassador to NATO Donald Rumsfeld to the Board of Governors of the Atlantic Institute in Paris, on June 2, 1973:

I will state it simply, briefly, and bluntly: The post-World War II era is over. A new era which has, as yet, no name and no special defining characteristics, is beginning. We do not know, as yet, what it will mean to mankind—what demands it will make, what benefits it will bestow, and what opportunities it will present. But whatever its special character will be, it will not be dominated and shaped by the events of World War II and its immediate aftermath. They are now too far in the past to be the central experience of a majority of our peoples.²⁴¹

It was out of this new era that a new NATO was formed and continues to evolve to this day, once NATO’s original mandate expired in 1969 and once an increasing number of political leaders no longer shared the same collective memory as their predecessors of the devastation of Europe immediately after World War II. After French withdrawal and the Soviet invasion of Czechoslovakia, there was unanimity in the West for the preservation of NATO, but there was anything but a uniform view of what the future of the alliance should look like. In the remaining time left in the Nixon era, further improvements to NATO were held in abeyance until a more

²⁴⁰ DNSA, “Executive Summary, NSSM 169—Part 1, U.S. NATO Policies and Programs”, May 19, 1973.

²⁴¹ European Union Archives, Florence, EG 207, “The Honorable Donald Rumsfeld, United States Permanent Representative on the North Atlantic Council, United States Ambassador to the North Atlantic Treaty Organizations, to the Board of Governors of the Atlantic Institute, Paris, June 2, 1973.”

general amelioration in transatlantic relations occurred after Nixon had left office, marking a tragic end to Nixon-era NATO policy that held so much promise at the beginning of 1969.

CHAPTER III. ON DEATH WATCH: THE NIXON TAPES AND THE MORTAL WOUND TO BRETTON WOODS

When President Richard Nixon took office on January 20, 1969, the Bretton Woods system was already severely distressed. Less than three years later, the system was placed on an irreversible path that led to its dissolution after Nixon announced his “New Economic Policy” on August 15, 1971. Its collapse was the result of a long and ultimately unsuccessful struggle to sustain the currency regime—designed amidst World War II to provide economic stability and to foster eventual postwar recovery—past its useful life. Framed to meet the needs of the 1940s, Bretton Woods in the 1970s appeared out of step, unnecessarily unstable due to innumerable ad hoc adjustments over the years, and not in sync with the liquidity demands of the Nixon era or reflective of the altered economic landscape. The collapse of the system stood as one of the most important economic events in postwar history.

The Bretton Woods system had been set up during an economic conference attended by 44 nations held at Bretton Woods, New Hampshire, in July 1944. The result of the conference was the creation of a new world currency system of gold-based “fixed but moveable” exchange rates.²⁴² This system stood in stark contrast to the rigid prewar pure gold exchange rate system that had contributed to the Great Depression, as its inflexibility inhibited central bankers from taking the necessary action to expedite economic recovery. Therefore, Bretton Woods was a welcome transition to return currencies to a quasi-flexible gold standard after a hiatus during the war. The system allowed the recovering economies of Europe to accumulate U.S. dollars as a result of market exchanges—including postwar American aid such as the Marshall Plan—which could be converted to gold at the rate of \$35 an ounce, guaranteed by the U.S. Treasury. The

²⁴² Joanne S. Gowa, *Closing the Gold Window: Domestic Politics and the End of Bretton Woods* (Ithaca: Cornell University Press, 1983), 8.

American guarantee was maintained in exchange for other countries' obligations to ensure monetary discipline at home.

Unlike these other countries, the United States did not have this same discipline imposed upon it, so American debts could be paid by simply issuing new currency. During the late 1950s and 1960s this occurred with greater frequency as a result of ballooning American foreign aid programs, Lyndon Johnson's "Great Society" initiatives, and the funding of growing American involvement in Southeast Asia.²⁴³ After 1958, this meant that the total number of dollars in circulation had eclipsed the amount of gold held in reserve, a violation of a key tenet of the Bretton Woods system, causing the U.S. to experience ever greater balance of payments deficits and ever shrinking gold reserves. This ultimately set in motion a series of monetary crises throughout the 1960s.

American policy makers took these crises seriously. After a gold crisis in 1960, the Eisenhower administration worried that the entire Atlantic alliance might collapse if the payments deficits were not corrected. The Kennedy administration once mused that payments deficits worried the president more than nuclear weapons, and President Lyndon Johnson was concerned that he might be blamed for a global economic depression.²⁴⁴ Meanwhile, in the mid-1960s, foreign leaders such as French President Charles de Gaulle lambasted reckless American policy and the Bretton Woods system that allowed it to persist, and accused the U.S. of exporting inflation. As nations accumulated excess dollars over time, this began to erode confidence in the dollar abroad. However, this system was also painful for American consumers. Expansionary monetary policies without a devaluation of the dollar attracted imports, causing inflation,

²⁴³ Michael Kreile, "The Search for a New Monetary System: Germany's Balancing Act" in Helga Haftendorn, et al., eds. *The Strategic Triangle: France, Germany, and the United States in the Shaping of the New Europe* (Washington, D.C.: Woodrow Wilson Center Press, 2006), 151.

²⁴⁴ Francis J. Gavin, *Gold, Dollars, and Power: The Politics of International Monetary Relations, 1958-1971* (Chapel Hill: University of North Carolina Press, 2004), 197.

increased prices, and reduced exports. Additional factors worldwide which undermined the system included a lack of wage discipline, the underdevelopment of institutions for coordinating reforms, and rising capital mobility.²⁴⁵ Thus, even in its purest form, the Bretton Woods system had a certain amount of instability built into it from the beginning.

Knowing that the American gold reserves could not withstand a mass conversion of dollars into gold, throughout the 1960s American policymakers created a series of political inducements to compel Europeans (and later, Japanese) to hold onto their dollars rather than convert them into gold. Beginning in 1961, the U.S. negotiated “offset” agreements with West Germany, in which the German government received American munitions in return for the increased foreign exchange expenses of American troops stationed in Germany. Over time these arrangements became unpopular for the Germans who became convinced they were actually paying the “occupation costs” of American troops stationed in Europe. Then, in 1963, the Group of Ten leading industrial nations began discussions to develop a new monetary system, without success. Then, in 1968, Special Drawing Rights were created in an attempt to meet shortages in liquidity. These political efforts were a patchwork attempt to keep Bretton Woods alive and reverse the American balance of payments deficits.

This was the multi-faceted system that Richard Nixon inherited in 1969. Having neither a background in economics nor a desire to immerse himself unnecessarily in a difficult policy issue over which even experts were undecided as to what to do, Nixon ignored the advice given to him in late 1968 and early 1969 from experts such as Milton Friedman, Paul McCracken, and Paul Volcker. This advice was that with the change in administration in January 1969 it was an ideal time to consider major overhauls with respect to Bretton Woods. Friedman, for one,

²⁴⁵ Barry Eichengreen, *The European Economy Since 1945: Coordinated Capitalism and Beyond* (Princeton: Princeton University Press, 2007), 242.

understood that the day was near that the instabilities built in to the Bretton Woods system—more than anything, the need for increasing liquidity to meet ballooning capital movements based on a decreasing reserve asset—must be dealt with. The dollar must be set free from the burden it carried, he argued unsuccessfully.²⁴⁶

However, despite ignoring advice to act in 1969, by the summer of 1971, Richard Nixon was spending a significant amount of his time immersed in the details of economic and monetary policy. His announcement of the New Economic Policy on August 15, 1971, considered to be the mortal blow to Bretton Woods, suspended the conversion of dollars into gold, and included a host of other domestic initiatives (e.g. wage and price controls) and international programs (e.g. import taxes) that were in the spirit neither of Bretton Woods nor Nixon's conservative beliefs. Although it was well-known that the gold reserves were in a state of permanent decline, his new policy went well beyond simply fixing the problem of gold. What explains this complete policy reversal only two years after Nixon expressed almost no interest in tackling the problem?

Although many studies have been written on the origin and decline of Bretton Woods, no current work uses the Nixon tapes to provide an actual explanation of why the president himself in 1971 became so involved in the solution to a problem of which he had so little understanding yet was so vital to the functioning of the global economy. When did he first become interested? How did he feel his way into such an unknown policy area? What direct role did the president take in the decisions to follow? Who were the other important players with respect to the policies proposed on August 15, 1971 and how did their roles evolve over that summer and fall? Even though actions taken by the American government in 1971 led to additional monetary problems through 1973 when the U.S. dollar was floated once and for all, it was during 1971 that Nixon himself was involved all throughout the process of the initial knock-down of the Bretton Woods

²⁴⁶ Larry Ebenstein, *Milton Friedman, A Biography* (New York: Palgrave Macmillan, 2007), 186.

system. With the help of the secret recordings of the president's meetings and phone calls, we can now come closer to answering these questions than ever before.

In fact, all of the existing works on the collapse of Bretton Woods have one thing in common. They fail to make use of perhaps the most important single source of all: the Nixon tapes, the 3,700 secretly recorded hours of Nixon's phone calls and meetings between February 1971 and July 1973. Between April and December 1971, Nixon participated in over fifty hours of meetings and telephone conversations related to proposed overhauls of Bretton Woods, and they are all captured on tape, in the Oval Office, the Cabinet Room, and his private office in the Executive Office Building across Executive Avenue from the White House. Therefore, this chapter is the first account of the collapse that shows the dynamics of the decisions taken by the president and his top aides, in real time, from their mouths, as they perceived them, beginning in April 1971.

In that month, on April 9, 1971, President Nixon called Chairman of the Federal Reserve Board Arthur Burns to compel him and his staff to hear a briefing that Nixon had heard the day before.²⁴⁷ The previous day's hour and a half presentation was conducted in the White House Cabinet Room by the Chairman of the recently formed Council of International Economic Policy, Pete Peterson, and focused on the issue of the future competitive position of the American economy in the world.²⁴⁸ Peterson convincingly argued that the future ability of the United States to compete commercially against Western Europe and Japan was in jeopardy: there were no clear objectives in the American balance of payments policy, or international economic and trade policy more generally. In addition, Peterson's charts showed that although American exports had increased 100 percent since 1964, West Germany's had increased by 200 percent and Japan's

²⁴⁷ Nixon Tapes, White House Telephone 1-63, April 9, 1971, 1:47 pm - 1:54 pm.

²⁴⁸ Nixon Tapes, Cabinet Room 52-1, April 8, 1971, 10:40 am - 12:17 pm.

had grown by more than 400 percent.²⁴⁹ Most of all, Peterson introduced a new idea: he asked his audience to consider how the nation's foreign economic interests could be used to promote American foreign policy broadly speaking, rather than simply leaving the craft of formulating economic and monetary policy to technicians.

The briefing had a profound impact on the president. Nixon, having no great background in economics—he certainly did not make such reforms an underpinning of his 1968 campaign and preferred not to be bothered with the details of international monetary policy—became convinced that the future prosperity of the U.S. economy demanded better planning and targeted government intervention.²⁵⁰ Although the president may not have had a great background in economic policy, the underlying message of the need for increased American leadership in the world resonated clearly with him at a time in 1971 while he spent so much time in secret negotiations with China designed to change the Cold War balance of power. Nixon was convinced that the briefing would impact Burns as much as it had himself, so he leaned on Burns to make sure the senior policy makers at the Federal Reserve heard it. After all, Nixon believed, the White House and the Federal Reserve should march to the same drum beat in formulating the nation's fiscal and monetary policies. The president noted, "I thought so much of it myself that I am having it given to the rest of the cabinet, and the whole White House staff." Burns, who enjoyed quasi celebrity status in Washington as the government's top inflation fighter, responded that he liked the idea, but did not share Nixon's concern that the briefing might be interpreted as White House interference with traditional Federal Reserve neutrality.²⁵¹

²⁴⁹ Richard Reeves, *President Nixon: Alone in the White House* (New York: Simon and Schuster, 2001), 340.

²⁵⁰ Gavin, 187; Herbert Stein, *Presidential Economics: The Making of Economic Policy From Roosevelt to Clinton* (Washington, D.C.: American Enterprise Institute, 1994), 138.

²⁵¹ William Grieder, *Secrets of the Temple: How the Federal Reserve Runs the Country* (New York: Simon and Schuster, 1987), 66.

After little immediate follow-up, Nixon became restless as the growing crisis stewed into the early summer. In a meeting on June 8 with Chief of Staff Bob Haldeman, Assistant to the President for Domestic Affairs John Ehrlichman, and Office of Management and Budget (OMB) Deputy Director Caspar Weinberger, the president commented on the most recent ruminations of Arthur Burns, who was known for freely and publicly offering unsolicited opinions, and especially at the Washington DC after-hours social scene.²⁵² Nixon noted that in the past two months, since he encouraged Burns to see the April briefing and redouble his attention to international monetary problems, “Arthur changed from a total optimist two months ago, and now he’s a total pessimist [...] because he’s been over to Europe. These international gangsters—that’s what they are—vampires sucking the blood out of every transaction. They want instability.” Later in the month, on June 29, in a meeting with Secretary of the Treasury John Connally and Director of the OMB George Shultz, President Nixon again expressed concern that the country did not do enough long-range economic planning, and that it was time for that to change.²⁵³ In fact, this theme was the cornerstone of the president’s speech in Kansas City, Missouri, on July 6, which foreshadowed that major economic policy changes were on the horizon. These anticipated reforms were based on what the president saw as the new role the United States should play in world affairs in the 1970s.²⁵⁴

It was during the summer of 1971 that Nixon understood he had a problem in the area of international economic policy. However, due to his lack of knowledge of the subject matter, he consequently did not understand which macroeconomic levers he had at his disposal, or what function each lever had. Moreover, the president still considered these challenges to be a

²⁵² Nixon Tapes, Oval Office 514-7, June 8, 1971, 11:06 am - 12:00 pm.; Helmut Schmidt, *Men and Powers: A Political Perspective* (New York: Random House, 1989), 152.

²⁵³ Nixon Tapes, Oval Office 530-3, June 29, 1971, 8:32 am - 10:07 am.

²⁵⁴ Dennis Merrill and Thomas G. Paterson, *Major Problems in American Foreign Relations, Volume II: Since 1914* (Boston: Houghton Mifflin Company, 2005), 456.

technical—not a foreign policy—problem, one best handled by specialists. As meetings on this subject continued into July, Nixon gradually began to understand that there had been lost opportunities for the hand of government to intervene. It was therefore time to sound the alarm and get his top advisers to begin thinking about potential reforms. On the afternoon of July 21, 1971, Nixon met with Chairman of the Council of Economic Advisers Paul McCracken on the subject of American economic competitiveness, when, toward the end of the meeting, Nixon picked up the Oval Office phone and called Secretary of the Treasury John Connally:²⁵⁵

Nixon: Hi John, I'm just completing a meeting with Paul McCracken—

Connally: Yes, sir.

Nixon: —and, one of the subjects, or major subject, that we've talked about that is extremely intriguing to me is, with regard to our international competitive position, and it has to do, of course, with, a part that we were not discussing, and that is, our monetary thing, how we might do something there. I would like if you would talk to [Paul McCracken]—

Connally: Yes, sir.

Nixon: —but without your [Under Secretary of the Treasury for Monetary Affairs], without [Paul] Volcker—

[*Conversation omitted for length*]²⁵⁶

Nixon: [...] ²⁵⁷ I think you and I have got to put ourselves in the top of this heap, listen to everybody, and then, frankly, decide what we're going to be.

Connally: All right, sir. I'll—

Nixon: —and so, do it, approach it with an open mind, if you will.

Connally: Oh I will, don't you worry.²⁵⁸

²⁵⁵ Nixon Tapes, White House Telephone 6-172, July 21, 1971, 2:39 pm - 2:42 pm.

²⁵⁶ When it has been necessary to omit a portion of a conversation for length, this has been done to conserve space without sacrificing the core themes of the conversation. Many times, this is made possible by eliminating redundant, off-topic, or unclear exchanges.

²⁵⁷ This marking has been used to indicate that conversation has been omitted within the response of a participant in the conversation. Again, in order to conserve space, passages that are redundant, off-topic, or unclear have been omitted.

The following day, on July 22, Nixon assembled an economic kitchen cabinet—the “Quadriad”—composed of John Connally, George Shultz, Pete Peterson, and Paul McCracken. They were charged with the task of studying possible overhauls of American economic and monetary policy. The president intentionally chose these aides because they were not, as he saw them, among the “ideologues who grew up with Bretton Woods and just don’t want anything to change.” After all, Nixon noted, “Goddamn it, my view is why be bound by all that stuff in the past?”²⁵⁹ And, noting that many stakeholders in the American economy—domestic and abroad—would naturally be very anxious about any major reforms that might be proposed by the Quadriad and sent to the President’s desk, Nixon commented, “this is not going to be comfortable for other people, but it might be very damn helpful for us.”

As Nixon gathered his economic team, he also had to make a plan to root out dissention. In particular, Arthur Burns had strong views on any proposed reforms to international monetary policy. Burns himself had long desired to end the American balance of payments problem by increasing the official price of gold, believing that the result would be stable currencies that would promote international trade and investment.²⁶⁰ Nixon knew he could not match the skilled technical rhetoric of Burns, but the president found other ways to influence him, such as altering the size of, and threatening to withhold needed appointees to the Federal Reserve Board, in addition to withholding salary increases from Burns. On July 24, in a meeting with Chief of Staff Bob Haldeman and Assistant to the President for Domestic Affairs John Ehrlichman, Nixon

²⁵⁸ Connally notes in his memoirs that “I had no sooner taken office than we had to confront a very hostile international monetary system. [...] Throughout 1971, the U.S. economy was in such distress, and the world monetary picture so volatile, that comparisons were being made to 1933.” See John Connally, *In History’s Shadow: An American Odyssey* (New York: Hyperion, 1993), 236.

²⁵⁹ Nixon Tapes, Oval Office 542-4, July 22, 1971, 10:51 am - 11:36 am.

²⁶⁰ Wyatt C. Wells, *Economist in an Uncertain World: Arthur F. Burns and the Federal Reserve, 1970-78* (New York: Columbia University Press, 1994), 37. Critics of such views, Wells argues, such as George Shultz and Milton Friedman, pointed out that the defense of fixed exchange rates often required domestic policies that were otherwise inappropriate.

asked, “now what do you want to do with Arthur Burns, give him that raise?”²⁶¹ After Haldeman responded, “no, you were going to meet with Burns”, Nixon noted, “well, I think we’ve changed our mind. You call [John] Connally, and say that [...] I just feel I ought to let Burns cool his heels for a few more days [...] it doesn’t mean we should fight him openly, but [Connally] believes the cool treatment is necessary at this point.” Haldeman commented, “I’m not so sure I would stop there, but I agree with at least that much.”

Egged on, the president proposed further action. “I have no problem just not having [Burns] around. And I’ll tell you another thing that will get to him, John—just not give him that raise. Could you get [a] story leaked through the [Counsel to the President Chuck] Colson apparatus on Arthur? Connally suggested two things as a matter of fact. One is that ‘recommendations are being made among the president’s economic advisers that the Federal Reserve Board membership be increased because it’s having so many problems these days.’ That’s point one, and [that] ‘this is a matter that will be recommended.’ The other one is that ‘a recommendation has been made that in view of the fact that the president has responsibility for full employment, the president is considering legislation to reform the Federal Reserve. The Fed has got to be brought in.’” He continued, “The independence of the Fed”, but Ehrlichman interrupted, “is seriously in question because of the [poor] economic results of the last year.” Nixon knew the impact of such a leak. “It would worry Arthur a little”, he said.²⁶²

As press commentators began postulating on what reforms the White House might be considering, Nixon demanded absolute secrecy on the part of the Quadriad. In a conversation between President Nixon and Pete Peterson on July 26, while the President was still basking in glory from the announcement on July 15 that he would be the first American President to visit

²⁶¹ Nixon Tapes, Oval Office 545-1, July 24, 1971, 9:43 am - 10:36 am.

²⁶² This account is also confirmed in Bob Haldeman’s memoirs. See H.R. Haldeman, *The Haldeman Diaries: Inside the Nixon White House* (New York: G.P. Putnam’s Sons, 1994), 331-332.

the People's Republic of China in February 1972, Nixon similarly recommended keeping Bretton Woods-related "negotiations top secret, involving only [John] Connally and a few deputies, on a top secret basis, to keep from a half dozen reporters in two weeks [from] knowing we're doing this."²⁶³ Directing his attention to Peterson, Nixon continued, "I would not under any circumstances inform [Arthur] Burns. Burns has nothing good to say about the economy. Every time he speaks he says 'everything is a failure.'" To that, Peterson responded:

Peterson: I guess what I'm asking for is authority to do a top secret thing on a bold approach to this problem, looking toward an August announcement, if it all works out well, with Connally, Shultz, and I'll add McCracken, and then just keep everybody else out.

Nixon: Yeah. I think this is a good idea. [...] The key man in this play is Connally, because he understands politics, and he is also the Treasury man.²⁶⁴ When I get him in tomorrow, you come in, and let's just bless it right there. [...] Something has to be done, doesn't it? Part of the problem, you know Pete, is not one that is created by anything that we've done. This problem, ever since about 1961 or -2 has been covering a lot of it up through all of our international manipulations.

The president concluded by instructing, "you go to work immediately on a covert basis, and I'll get Connally, and we'll talk about this thing. I don't want it too big. You really have to have people who contribute to the dialogue. I don't contribute much except a deep-seated ignorance."

The next day, President Nixon had renewed concerns about secrecy. In a meeting again with Peterson and John Connally, the president emphasized that, "in view of the high sensitivity of this, if we ever have anything secret in this damn government, this, next to [negotiations with the People's Republic of] China, has got to be secret."²⁶⁵ Connally responded:

²⁶³ Nixon Tapes, Oval Office 546-2, July 26, 1971, 4:32 pm - 5:19 pm.

²⁶⁴ Jules Witcover has noted that before Connally became Nixon's official spokesperson on economic as well as fiscal matters, the administration had a "babel of voices" on the subject, including George Shultz and Arthur Burns. By the summer of 1971, Nixon assembled his top economists and told them that Connally would be setting the administration's economic line from then on, and if they didn't like it "[they] can quit." See Jules Witcover, *Very Strange Bedfellows: The Short and Unhappy Marriage of Richard Nixon and Spiro Agnew* (New York: Public Affairs, 2007), 212.

²⁶⁵ Nixon Tapes, Oval Office 547-9, July 27, 1971, 12:15 pm - 1:09 pm.

Connally: [...] Frankly, I think we ought to tell Arthur Burns. The problem with Arthur, and I sounded him out last night. He's not thinking in terms of as bold a step as Pete or I are.

Nixon: Will he keep quiet?

Connally: Yes, he will, provided we bring him in the issue. The danger is that without him there, he's going to be hot—

Peterson: And perhaps with good reason.

Nixon: One way to work Arthur on this, knowing his ego, is to get him to think the idea was his.

[Conversation omitted for length]

Connally: We need to lay out the alternatives for you. [...] The figures are coming out tomorrow on our June balance of trade. And we've got a negative balance of trade of \$360 million. April and May were over \$200 million deficits in each of those months. This was the third successive [record deficit] month in a row. Big story in the [*Washington*] *Post* this morning, "Reserve assets in the United States are at their lowest since 1938." Now we've got to pay out another \$800 million. The gold [reserves] will be below \$10 billion for the first time. These are basic facts. I draw one conclusion: if we have the defense of the dollar, I don't think we can hold it until the election of '72, plus the fact that as things stand now, we have approximately \$10 billion in gold to satisfy \$30 billion worth of [overseas] commitments. If we try to defend the dollar between now and next year, which we can do, it's one of the alternatives, but it's going to take some drastic action on your part regardless.

[Conversation omitted for length]

Peterson: John tells it how it is. We need bold action soon.

Connally: [...] Here's what you want to do, is to write a letter. You write to the International Monetary Fund, it's a very simple thing. It's a letter of two paragraphs. The first paragraph in effect says that you no longer will convert dollars to gold. You do that with one sentence. Secondly, you say, assuming you want to go this route, you say you no longer will support the fixed exchange rates section of the International Monetary Fund. That means you're going to float.

However, there continued to be major dissention in the president's ranks over the proper course of action, or even whether action was necessary in the first place. To smooth things over,

President Nixon sent Pete Peterson to Camp David to offer his earlier April briefing to an expanded group, including representatives of the departments of State, Commerce, Labor, Treasury, the Council of Economic Advisers and the National Security Council. The result was not quite what the president had hoped for. Chief of Staff Bob Haldeman commented, “you know what happened at Peterson’s Camp David sessions? He pulled all the Under Secretaries groups of his Council [of International Economic Policy] for two days, and he got a cleavage right smack down the middle. State, and the Council of Economic Advisers, and the guy from the NSC who was there, said ‘there’s no problem. What’s all this shouting about? We’ve seen this trend before. Your charts are misleading, and you can always rape statistics, and so on.’ And Commerce, Labor, and Peterson’s group, and Treasury, said ‘there’s a hell of a problem. We’re going down the tubes here.’ And there was a two day battle.”²⁶⁶

Nevertheless, President Nixon tried to keep the Quadriad on task. Meetings with his principle economic advisers became more frequent and more in-depth, occupying a significant amount of the President’s time. During a four-hour session in the Oval Office, on August 2, 1971, the main issue yet to be resolved was whether any proposed reforms required Congressional approval.²⁶⁷ Connally summed up the entire situation in his famous Texas drawl:

Connally: Seems to me there are two essential problems here. [...] One is an international problem. Two is a domestic problem. [...] In the international field, [it’s] convertibility of dollars into gold. And we’re going to have to stop that at some point. Most people seem to think that \$10 billion in gold [reserves] is a point below which we should not go. We can stop convertibility very easy, by just saying so. The next thing is, you ought to float [the dollar]. [...] Whatever we do in the international field ought to be coupled with action on the domestic front, so they tend to shield each other. [...] But then you say you recognize we have problems at home, and coupled with that, you’re going to put a ceiling on spending in the Congress. Say you want to reduce [the federal budget by] ten billion dollars. So this gives you a strong position of fiscal responsibility. Then

²⁶⁶ Nixon Tapes, Oval Office 549-7, July 28, 1971, 10:20 am - 11:16 am.

²⁶⁷ Nixon Tapes, Oval Office 553-6, August 2, 1971, 9:58 am - 2:05 pm.

you say ‘I’m going to impose a ten percent border tax on all imports into this country until such time as we renegotiate our currency [...] because we are non-competitive.’

Nixon: That requires Congressional action.

Connally: No it doesn’t. [...] Then you got to put on a 90 to a 120 day freeze. Not “wage and price controls”, [but] a “freeze.” Every field, for 90 to a 120 days, until we have time renegotiate on the international field, and [during this] time we can see what impact these things are going to have. [...] It’ll stimulate the hell out of your economy. [...] You can’t force countries to devalue, but you can take them off the gold standard.

[Conversation omitted for length]

Nixon: I tend not to be as persuaded by the international monetary arguments as I am by the domestic arguments. So therefore I am inclined to think that we should consider doing all those things domestically which would also have a good effect internationally, and as a last resort do the international thing, except of course floating. The floating thing I think is so Goddamned confusing that nobody’s going to understand. Closing the gold window sounds as if the dollar is going to hell, that’s to the average person.

The president expanded on his point of view a few days later in an Oval Office meeting with John Connally on August 6: “it’s basically psychology. The country needs a psychological lift. And the psychological lift can only come from doing something.”²⁶⁸ Connally responded, “I agree with that one thousand percent. You have to do something. You have to jerk this country up [...] so that they say we’ve got a leader here.” Nixon agreed, “and also, if we put this wage price thing on, we’ve got to shake the country and say ‘look, you people have got to get off your ass and go to work. We’ve got to be more competitive. It’s time for America to be more competitive in the world.’”

By August 12, 1971, Nixon knew a decision would have to be made soon. After Paul Volcker called a vacationing John Connally to tell him that gold reserves had reached another new low—in addition, Great Britain was submitting a massive request to convert three billion

²⁶⁸ Nixon Tapes, Oval Office 556-4, August 6, 1971, 10:34 am - 11:38 am.

dollars into gold—prompting his return to Washington, the president called his Secretary of the Treasury.²⁶⁹ Connally explained his decision to cut his vacation short: “we expect a bad day tomorrow [for the gold reserves] [...] we’re constantly losing the initiative I’m afraid.” However, the president was not prepared to make his move yet, as evidenced by the fact that he had let his top economic spokesman take a vacation during a time of escalating crisis. Connally recommended that due to the dire international situation and rapidly declining American gold reserves, “the least we could do is to move on the international front this afternoon [...] or early in the morning, just close the [gold window].” Connally suggested that “we wouldn’t have to move on the domestic front until, say, Monday [August 16], which would give you all weekend [August 13 to 15] to firm up the details. [...] The thing that worries me is that I don’t want to leave the appearance that we’ve reacted in haste, or that we were unprepared.” Once Connally returned to Washington, Nixon had two historic back-to-back meetings in his hideaway office in the Executive Office Building. The first of these two meetings determined the procedure for taking final action, while the second meeting decided the action itself.

In the first meeting, in a discussion of how to get buy-in from all of the principals involved, Chief of Staff Bob Haldeman recommended letting a select few top aides know of the president’s intentions.²⁷⁰ He continued, “let a few people in on it. Tape ‘em all, the people you let in, maybe half a dozen. Go up to Camp David, where they’re locked up and can’t talk to anybody, and just sit there and just grind the thing through, through the weekend, and [announce

²⁶⁹ Nixon Tapes, White House Telephone 7-112, August 12, 1971, 12:01 pm - 12:12 pm. There is some dispute over whether the British request ever occurred. However, it has been confirmed in multiple memoir accounts, including Connally, 237; Haldeman, 340; Stein, 167, and William Safire, *Before the Fall: An Inside View of the Pre-Watergate White House* (Garden City, NY: Doubleday & Company, 1975), 509.

²⁷⁰ Nixon Tapes, Executive Office Building 273-7, August 12, 1971, 3:11 pm - 4:20 pm.

the result] on Monday [August 16].”²⁷¹ Nixon’s thinking was still that the domestic and international economic reforms could be taken separately, noting “I think the domestic [action] would be much better coming on the seventh [of September, when the Congress reconvened].” Nixon was firm that because he needed Congressional approval to devalue or revalue the dollar—although it was less clear whether he needed such approval to cut the linkage to gold—he must wait until Congress returns. In the second meeting that decided the action to be taken, Nixon opened with “in order to stop the crisis, if we look at the international monetary thing, all that is needed is to close the gold window. That stops the crisis, right?”²⁷²

Connally: That stops the crisis from our losing assets, but in effect it may create a crisis in terms of the international money markets. It’ll leave them in a chaotic state until something else happens, in my judgment.

Nixon: You have to say of course, that when you do this [...] that the United States was taking action to preserve the dollar [...] and that we were temporarily closing the gold window, and that we would be prepared now to discuss with [...] nations around the world [...] a better, more stable system. Frankly, at least you can say you’re doing it for the purpose of defending the dollar against speculators, and [...] I would not have you do it [...] at prime time [for television viewers] at night. There’s no use to stir up a lot of people about things they don’t understand. [...] Now, the question is, if we do the whole thing at one time, could we do it now, tonight? I don’t think so [...] well, I guess we could start burning the coal and we could get it by tomorrow night. But I don’t see any damned advantage of that. In my view, if we do don’t it tonight, John, then if we’re thinking of doing the whole package, what I was thinking we would do is call the whole working group together, and we could whip up to Camp David tomorrow, and spend Friday, Saturday, and Sunday. Now that’s one thing we could do, go for the whole ball on Sunday [August 15].

[*Conversation omitted for length*]

²⁷¹ Haldeman assigned Larry Higby of his staff to inform those involved to be available the weekend of August 13-15 for an unspecified length of time on an unspecified topic, and not to inform anyone—including spouses—of their destination. Bill Safire comically recalls being summoned in a similar fashion in *Before the Fall*, 509.

²⁷² Nixon Tapes, Executive Office Building 273-20, August 12, 1971, 5:30 pm – 7:00 pm.

Shultz: I was going to say, I think that the closing of the gold window and the impact of that has already been taken into account in the marketplaces.²⁷³

[*Conversation omitted for length*]

Connally: Well, they're all predicting, all the professionals think it's coming.

Nixon: That may be one of the reasons everybody's so jittery.

Connally: Well, sure it's why it's jittery, that's why it's going to remain jittery. I don't really think we ought to be concerned about that. I think we ought to primarily be concerned about how you can most effectively convince the American people that you, number one, are aware of your economic problem, number two, that you have thoughtfully considered them not as an piecemeal emergency stop-gap measure, but that you have analyzed them in depth, and that you have dealt with them in a substantive matter. [...] The problem of doing it piecemeal is number one, everybody's going to be saying, well "what's, he's got to do something else, what comes next?"

Nixon: Yeah.

Connally: And beyond that, they start speculating. Then everybody starts trying to jump the gun on you, you get a bunch of leaks, you get a bunch of Congressmen, and they all want to be holding [hearings] to show how smart they are. [...] I agree with you completely that if you can wait until September seventh to do it, no question whether that's the wise thing to do, no question in my mind what if you do the whole package, the impact will be infinitely greater than the sum of the parts.

Nixon: Yeah.

Connally: But the main thing is, I don't think you can wait that long in terms of the international money market. We've lost since August, in the twelve days in August, the foreign governments have acquired over three billion dollars [in gold]—

Nixon: Yeah.

Connally: —and, uh, when we consider our three billion, six hundred, and ninety-four million dollars [in gold], just since the last twelve days. Today was a billion dollar day, tomorrow might be three billion [if the British request is

²⁷³ This argument by George Shultz ended up being one of the more influential to the president. Whether or not it is true cannot be known. Some more critical commentators have accused Shultz of having more loyalty to Nixon than judgment. See Schmidt, 160.

approved]. We could ride it out, but when you consider what debts we have and the—

Nixon: Well let me now ask this, John, just so we can see what our options are in terms of doing it all in one package. Let me see if I can get this correct. You would have doubts about closing the gold window, and then doing the rest of it on September the seventh. That doesn't sound good to you.

Connally: I don't think it's the best solution. [...] I think the net effect of that is, that number one, the impression is that you were forced to do it by what's happened in Europe in the last two weeks. And secondly, that you didn't know what to do, it took you from now, from tomorrow, to September the seventh to figure out what to do, and that you were merely reacting. [...] You don't have a good situation. Polls indicate you're taking a whipping on this economic issue. [...] What the hell do we have, six or ten billion [dollars in remaining gold reserves]. [...] We owe thirty billion [dollars in overseas commitments] [...] we can't pay it [...] you can just say, "I'd hoped that I might wait, but the situation has reached the point where I think I must say to the nation and the world now what my plan is [...] the situation is such that I think damage would be done to the international monetary stability as well as the domestic economy to wait further." I'm not going to say that you can't stand it until September, but [...] we're not ready for it, we can't go tomorrow, we're not ready for tomorrow.

[Conversation omitted for length]

Nixon: George, [...] let's come back to Arthur [Burns]'s view. Arthur's view is that we should do it all at once.

Shultz: His program [is] to do these domestic type things, including the border tax, and see if that doesn't handle the gold crisis, [and] don't close the gold window, and carry on these discussions that are essentially aimed at changing the price of gold.

[Conversation omitted for length]

Connally: I just don't see the point. Hell, if you're going to do all this domestic stuff, let's close the gold window, so we don't have the rest of these guys just keep nibbling at us. Because if they keep nibbling, if the announcement of the domestic program doesn't work, then next week you got to close the gold window, and I think that's a—

Nixon: I think he has a point there.

Connally: —I think that's a risk you don't have to take.

Nixon: As a matter of fact, George, as we look at your analysis, we really ought to close the gold window, shouldn't we?

Shultz: Sure, I believe as a long run proposition that we ought to close it and keep it closed.

[Conversation omitted for length]

Nixon: John, one thing that you and I, on a political matter, in talking to the Quadriad, have to remember, is this: our primary goal must be a continued upward surge in the domestic economy. And we must not, in order to stabilize the international situation, cut our guts out here.

[Conversation omitted for length]

Shultz: On the wage price thing, a freeze of no longer than 120 [...] days.

Nixon: Well, the shorter it is, the simpler it can be. [...] But for a short freeze, what the hell, anybody can suffer for 60 days, or 90 days, 120 maybe *[laughs]*. [...] I think we ought to go Monday [August 16], with the whole ball. I would suggest, and this is one way we can keep it closely held, a meeting in Camp David over the weekend, and have everybody locked up there.

[Conversation omitted for length]

Nixon: I want to [say], in not wanting to appear to panic [...] [that] we have been meeting for a long time on this subject. [...] I think we can just go out and say that we are taking these steps because we think it is time now for the United States to do this. Crack it out there, very central, not too much explanation. [...] I think this is something [...] it's like the China announcement, where action is hard, the words should be very brief.

[Conversation omitted for length]

Connally: You want [...] to show that we've been deteriorating [under the present system] for twenty five years, and that you're the first president that's had the guts to take this comprehensive action. [...]

Nixon: I would say that for the past twenty five years we've seen a gradual deterioration of our position, and [...] we've had these monetary crises and so forth, and it's time now to call it off.

[Conversation omitted for length]

Shultz: I was just going to ask. Suppose you could have it either way, unilateral through the president, or through the Congress, would you have a preference?

Connally: Oh, unilateral would be the preference.

[Conversation omitted for length]

Nixon: I prefer the unilateral thing for another reason, that the Congress is likely to put, hedge it with so many restrictions—

Connally: That's correct.

[Conversation omitted for length]

Nixon: Well now John, [...] I think we can go Monday. [...] Putting it in the context of the China thing, I did that with great surprise, and we could, when we brief on Monday [August 16], we'll say the president has had this under consideration for, which is actually true, [Pete] Peterson wrote me a memorandum months ago on border taxes.

[Conversation omitted for length]

Connally: It'll be the shot heard around the world, you can be sure of that. *[laughs]* It'll be [heard] in every town and hamlet.

[Conversation omitted for length]

Nixon: I would say that we set our [Camp David] meeting for three o'clock tomorrow afternoon [...] John, you just take three hours [...] and also you ought to check it out in terms of GATT [compliance].

Connally: Yes sir.

[Conversation omitted for length]

Nixon: The thing is, John, I personally have pretty much decided what I want to do anyway. [...] I'm pretty well decided. [...] That's really the way I tend to operate anyway, and everybody knows it. I usually don't horse around and say, "let's take a vote."

[Conversation omitted for length]

Shultz: The markets will boil Friday afternoon, and on Monday they'll know what happened. There'll be a tremendous amount of speculation about what was

in those meetings. Perhaps there's an advantage to saying, either making your statement, or issue a statement Sunday night.

Nixon: [...] I see your point about Sunday night. Well, if we can get ready, that would be better, then we wouldn't screw around and have Monday to lose another billion dollars [in gold reserves].

[Conversation omitted for length]

Shultz: [...] Beginning about midnight Sunday night, in other words, the markets in Brussels, the European market, with the time difference, this kind of speculation is going on beginning about midnight on Sunday.

[Conversation omitted for length]

Shultz: I think it's the biggest economic policy since the end of World War II.

Connally: I can say in twenty five years, no question about it. [...] I think it gives you an opportunity. [...] I think this might put your critics so far behind the eight ball that they're not going to know what to do.

[Conversation omitted for length]

Nixon: This is fine. Listen, John, it occurs to me, hell, we don't have to screw up the market tomorrow [...] [by announcing] we're all going [to Camp David]. We won't announce a Goddamn thing. [...] I go to Camp David regularly. The rest of you happened to come up, that's all. [...] The main purpose of going to Camp David [is that] I can take people up there and they don't need to know a hell of a lot about it. The main purpose of going to Camp David, frankly, is to get everybody in there where they're not going to talk to anybody.

Connally: Right.

Nixon: Where everybody keeps their damn mouth shut, and there's no papers, I know there's going to be stories in the *New York Times* on Sunday about the administration going out. That was what I don't want. But we meet for three days, get the job done, and come back. And I can keep 'em up there, too, until I get back. You see what I mean? Without any leaks. That's the way I do it. But we won't say everybody who's going. You can [...] say "look, the president's inviting you up for the weekend, inviting you up to Camp David for the weekend."

On Sunday, August 15, 1971, following the long weekend at Camp David that Nixon and his top advisors had choreographed in advance, the United States, in a twenty minute televised speech

by President Nixon that preempted the popular Western program *Bonanza*, suspended convertibility of the dollar into gold. Although scholars have concurred that the Bretton Woods system had been “on death watch” for many years, it was therefore President Nixon who dealt the mortal blow to the system. This action was intended to produce major improvements in the American balance of payments and trade deficit—the first since 1893, while an import surcharge was to be a bargaining lever against any foreign resistance or retaliation.²⁷⁴ In addition, wages and prices were frozen for 90 days, while both federal taxes and government expenditures were cut.²⁷⁵

As Nixon prepared in his Executive Office Building suite for his upcoming speech, he made a series of phone calls to give advance warning to various administration officials. In a call to Attorney General John Mitchell, Nixon summed up the whole series of new economic moves: “we’re going for the wage price freeze [...] we’re going to float the dollar [...] we’re going to invest in tax credits, we’re going to repeal the excise tax on automobiles, the personal income tax exemption, we’re going to cut the budget.”²⁷⁶ It’s quite a bundle. It’s going to have quite an impact. We’re describing the New Economic Policy [...] we actually didn’t want to do it, we were planning to do it September the sixth [when the Congress reconvenes], but because of the international situation, we’re going to do it now. But it’ll be quite something. It’s going to really pull the rug out from underneath everybody concerned.”

On September 7, 1971, after the Congress had returned and had criticized the administration for taking such unilateral action in its absence, Nixon called Connally to inform him that “I feel so strongly that [...] we don’t want to [...] rescue this international monetary

²⁷⁴ Matusow, 117.

²⁷⁵ David P. Calleo, *The Imperious Economy* (Cambridge: Harvard University Press, 1982), 62-63; Otmar Emminger, *D-Mark, Dollar, Warungskrisen* (Stuttgart: Deutsche Verlags-Anstalt, 1986), 190-195.

²⁷⁶ Nixon Tapes, Executive Office Building 273-26, August 15, 1971, 5:04 - 5:10 pm.

thing too soon. Let it stew.”²⁷⁷ After Connally expressed assurance that negotiations “may go on for a year”, Nixon added “ok, I won’t foreclose a damn thing, [...] having taken this enormous risk, which many thought, well, you remember the dire predictions. We’ve now bought the time, and we’re going to use it.” Nixon regrouped to assess the situation.

On September 11, he called John Connally and Arthur Burns into the Oval Office for their viewpoints and to firm up Burns’ loyalty.²⁷⁸ Nixon began:

Nixon: Let me try to give you a little feel, Arthur, and I want to talk to you and John, and I don’t want it to go beyond this [meeting] with what I feel, to Volcker, or anybody at the Fed., just talk as politicians and friends. First, let me begin by saying that, as you know me well enough, I am, in areas where I am not an expert, I take advice of experts, so I would be the last to know what the hell this is all about, the price of gold, of exchange, two tiers, and SDR, etc., etc., etc., so I begin with that proposition, I’m going to have to rely on you, obviously John and his experts, McCracken, etc., Schultz is there, in this field, as to what the technical things are. On the other hand, between now and the election in November [1972], there must be one paramount consideration. And that paramount consideration is not the responsibility of the U.S. in the world, it isn’t outgoing policy, it isn’t the fact that in foreign [policy] we’ve done this, that, or the other thing, the main thing is that we have to create the impression that the president of the United States, finally, at long last, after 25 years with blood, sweat and tears, is [...] looking after its interests. They don’t think that the United States looked after its interests enough during the ‘60s. They did feel we were looking after their interests in the Eisenhower years, though we gave a hell of a lot away. They didn’t think so because of the damn [Vietnam] war, and a lot of other things, that we were looking after their interests.

[Extraneous text omitted for length]

Then, the president made it clear that there would be difficult negotiations ahead with the key nations affected by the Nixon knock-down of Bretton Woods, including the United Kingdom, the Federal Republic of Germany, and France:

Nixon: Now I have to tell you about the British. By God, [Prime Minister Edward] Heath has taken heat over there [...] we do everything we can for the British, but the British, [...] they consulted their interests, and they

²⁷⁷ Nixon Tapes, White House Telephone 8-42, September 7, 1971, 5:56 - 6:00 pm.

²⁷⁸ Nixon Tapes, Oval Office 570-4, September 11, 1971, 12:07 - 12:53 pm.

stung us. [...] Goddamn it, and I told Kissinger this, and Henry, we've got to bring him into this conversation at the proper time, because what I really say is, and you'll understand John, this is why it's so important this not go to any experts, all the experts, and you're an expert to, will naturally be thinking as they should "what is the responsible statesmanlike thing to do." I want to do the responsible statesmanlike thing, but not now. Right now we've got to do what the people of the United States think their President is out fighting for.

[Extraneous text omitted for length]

Nixon: Now let's look at the Germans. [Chancellor] Willy Brandt. Arthur, the Berlin [Four Powers] agreement would never have been put through unless we had—I can tell you privately what really happened on that. And keep this to yourself, because some of the State Department people would not be happy. Kissinger sits down, for four months, meeting with [Soviet Ambassador to Washington Anatoly] Dobrynin, worked out the odds and ends of that damned agreement. And finally, [Kenneth] Rush, our ambassador, a hell of an ambassador, with great skill, got it through. But I'll tell you what I did. I got in the opposition leader [Rainier Barzel], you know, the leader of the Christian Democratic Party in here, and he was going to pull this on the ground. And I told him two months, I said, I would not bring Brandt down on the issue of foreign policy. I told him it means everything. I mean, if they don't have the Berlin agreement, then they don't have the treaty with the Russians, and if they don't have the Berlin agreement, they don't have access to Berlin, and also some degree of lessened tension between East and West Germany. The Berlin agreement was as important or even more important to Brandt and his political future as [repatriating] Okinawa was to [Japanese Prime Minister Eisaku] Sato. At this point, with them, they owe us one, and they owe us a hell of a big one, and I don't know how the terms are going to end.

[Extraneous text omitted for length]

Nixon: Now, let's take the French. The French are selfish bastards. You know, they're experts. [President Georges] Pompidou himself knows about this. Of all the foreign leaders, he's the one, that you know, John, who's the real expert, and I would hope that either or both of you have a private talk with him. Sometime I want you to do it, because he's very proud of his expertise in this area. Believe me, we've played their game on several things, and I've been extremely courteous to him. We say to France, we say to France, where would you be without the United States? Down. Nothing. And, when you think of the damn Netherlands, and the Belgians, and the rest, all those people, Arthur, would be nothing without us.

[Extraneous text omitted for length]

Nixon: Now we come down to the United States. It's time for America to look after its own interests. What I'm getting at is, we face here a political problem, very basic. What I want you and John to do is, talk this over between yourselves. We have got to work out something that, sure, be as responsible we can be, but between now and next year, we have got to take a position which we can sell the American people that "thank God, the President of the United States might be as strong as the Europeans and the Japanese, and we're looking after Uncle Sam. We've got to do that. And if it raises a little hell for a while in international monetary fund markets, so be it. We'll take care of that at a later time. But it's very important that we do that. Now, in order to play that game, we can perhaps [...] split them up, don't let them get together. Don't let them get together. But I take it they have got to know that I supported the Marshall Plan, I was on the Herter Committee, I supported reciprocal trade, I've been supporting the damn foreign aid. I believe in world responsibility, and I've taken all these risks, the China trip, and all the rest, and there are going to be others to follow, other things of very great significance for them. Darn it, they must not think that they now have a soft touch here. We have got to play a very hard game.

[Extraneous text omitted for length]

Nixon: Now, what I'm really trying to do is, I'm just trying to give you my feeling and guidance, so that you can have in mind [...] you're both politicians, and you're both friends. Arthur, the stakes are too high here. We cannot elect, we cannot elect, and I'm going to say quite candidly, some of those irresponsible people that are running around the country now. We inherited a hell of a lot of hard problems and we're trying to handle it as well as we can. And, that means, frankly, playing this international thing to the hilt politically. Now if we give up too soon, we back down, and we decide we're going to revalue the dollar, and we're going to do this, and we're going to be responsible, and we're going to be good neighbors, and we're going to grin and bear it, believe me, the American people are going to say what the hell, we thought we had a President finally who was going to stand up for us. Now that's where it's at.

[Extraneous text omitted for length]

Nixon: My point is, that right now, we are in a period, where the United States, the people of this country, could very well turn isolationist unless their President was looking after their interests. And we must not let this happen.

The Chairman of the Federal Reserve Board was speechless, and the president had just made his greatest sale. Providing Burns with the “big picture” that only the president had, Nixon had reached out to his greatest rival in the area of economic policy and brought him over to the president’s side just in time for the intense negotiations ahead with the Europeans during the fall of 1971.

Next, after European governments had an opportunity to meet and discuss the potential consequences of the new American policy, Secretary of the Treasury John Connally, rather than someone with greater diplomatic acumen such as Secretary of State Bill Rodgers or National Security Adviser Henry Kissinger, held a forum with European leaders to understand their points of view.²⁷⁹ On September 20, Connally reported to the president:

Connally: They all came, and they all had the same story, and basically what they want us to do, they want the United States to lift the import surcharge, and agree to change the price of gold, and they said the United States has to make a contribution. The United States and its trading partners around the world, has been very unfair with the imposition of the surcharge, that we’re asking them to make up in effect for our mistakes and that the United States has to make a contribution toward the settlement of this problem.

Nixon: How did you respond?

Connally: I responded finally on the last afternoon. The first day, I was one of the first speakers, and I pretty well laid out the problem in I thought in a very gracious quiet reserved tone. Then these countries, one after another, because they’re all singing the same song, they kept saying you’ve got to do this, you’ve got to this, it was orchestrated, it was repetitious. And then hearing each other saying it, particularly in the light of past experience, that they had us on the run, that they didn’t have to do a damn thing, they could just sit there and they made it clear to us that we had to move, and until we did, they weren’t going to do anything. So I finally just said to them Sunday, that the surcharge had not been done for domestic political reasons, the surcharge was imposed for reasons of improving our domestic balance of payments. Those who severely criticized it were those who had the most experience with it by having imposed it themselves in the past. This was Great Britain who was raising hell, and they imposed it in 1964,

²⁷⁹ Nixon Tapes, Oval Office 576-8, September 20, 1971, 9:52 - 11:27 am.

they had an import surcharge for 18 months, and nobody said a damn thing. And I said at no time in any discussion did I hear anyone here suggest the border taxes, the import taxes, or the export rebates that are prevalent around the world, that they be moved. It's all directed toward the United States. With respect to gold, our position on that is very clear, and I won't repeat what the president said on August the 15th in his address to the joint session of Congress. I'm not authorized to go beyond that point. We want to try to work this, and frankly I have gathered, from the various speeches made here, that the solution to this problem is a problem for the United States, and for the United States unilaterally, one, to remove the surcharge, and two, to change the price of gold. I simply say to you gentlemen, if indeed it is a matter of unilateral action by the United States, the United States had already acted [...] that we're quite happy with where we are. I said, may I humbly say, without being immodest, that over the past quarter of a century, we have indeed made a contribution.

And, Secretary of the Treasury John Connally was not the only American representative to talk with the Europeans. Chairman of the Federal Reserve Arthur Burns also traveled with Connally and spoke with European central bankers, and gave his report of the trip—from a very different vantage point than Connally—to the president later that same day:²⁸⁰

Nixon: Well, I wanted to get a little feel of your trip. John Connally was in this morning, and he suggested that I should talk to you to get your run down on it, and see where our next move is.

Burns: I think we made a little headway. The Europeans recognize that they must realign currency parities, everyone recognizes that. Basically they realize that we can't go back to convertibility. That's quite an advance. I don't know what to think about the French. I explained that if we tried to restore convertibility, the whole thing could blow up in a few days. They're not going to cause any trouble on that issue. They are very stubborn on the price of gold issue. And we're very stubborn, too. Our stubbornness, on both these issues, I've talked to John Connally thoroughly, our stubbornness is tactical. There no reason in the world why we shouldn't help them deal with their problems by raising the price of gold, from 35 to 37 [dollars].

[Extraneous text omitted for length]

Burns: The British no longer have any political dependents, because they are entering the Common Market, and they have got to play with the Europeans. The Germans are, well, privately they tell me they are with the

²⁸⁰ Nixon Tapes, Oval Office 577-3, September 20, 1971, 12:45 - 1:30 pm.

United States, and for a while I think that's true. Whether that will be their permanent policy or not I don't know. Now I think we've got to make preparations for the next meeting. You know what really makes no sense is the British.

Nixon: Connally has implied has implied that they will do anything to be sure they get into the Market, so they're going to play us against the others.

Burns: They are, well this has implications that I think you would understand a lot better than I, but the British are going to play with the Common Market, to what degree they will be your partners in foreign policy, I don't know.

Nixon: That's the point. It's what we talked about before you left. What is involved here are great political forces and movements, and we've to try link economics with the politics. It's got to be linked. [...] The question is how do you rationalize these things? The other point that comes to mind here, is that what can be done. We don't want to move too quickly. We have a terrible problem—I met with the members of Congress, the people of this country are pretty damn isolationist economically, they like the surcharge, they'd like to keep it permanently, they like cuts in foreign aid, they'd like to cut it all, now they're wrong. You and I know we have to live in the world, and I don't believe that kind of thing. On the other hand, I do realize that it is necessary that the United States have a better deal abroad to sell at home. [...] We must publicly say that we will be responsible in the world, we've always been good neighbors and competitors, and we want to build international stability, perhaps, but on the other hand, some way we've got to find some ways Arthur, and you've got to see if you will, could you help us find a way to serve this domestic political interest at the same time.

As the conversation progressed, Burns became more forceful in his views about Connally, that although there was a role to play in the negotiations for the Texan and trusted presidential confidant, Connally was out of touch with the Europeans. More damning, he lacked the diplomatic niceties that were needed for the job, unlike the way Burns described the cordiality of his conversations with European central bankers. Burns took some risk by exposing his personal views on Connally, the man the president considered for vice president both in 1972 and as a replacement after the resignation of Spiro Agnew, as well as someone Nixon thought could be the Republican Party's presidential nominee in 1976. In this conversation, Burns also

volunteered himself for the job of conducting secret negotiations with European central bankers, parallel to Connally's negotiations with European finance ministers. Although Burns was not part of Nixon's foreign policy inner circle and knew little about secret initiatives with China or the Soviet Union, he must have known that such a proposal would have appeal to the president. More significant was that Nixon agreed with Burns' conducting such negotiations:

Burns: Now Connally was both a success and a failure. I'm being very candid to you, I'm not useful to you unless I am. He was very successful in indicating that they are going to have to give, and that our position is going to be a firm one, and they understand that better than they did. What he was not successful in indicating to them, is that we have some understanding of their problems. And, their problems, in large part, are political problems. And on this gold price question, what we ought to say to them is, not that our position is inflexible, [that] we'll never even talk about that, we'll say this is a technical problem that we will be ready to discuss with you after some fundamental economic issues have been approximately worked out. That would make a tremendous impression on them, and in my book, we'd be giving up nothing. If something is important to the other fellow, and it costs you little or nothing, why not indicate to him that your mind does not have to be closed, at a certain stage. The next thing that I would do I think is to say to them that we don't like this import surcharge any more than you do. We explained time and again this is a temporary expedient. And if you will indicate to us what realignment of currency you're willing to agree to, and if that comes anywhere near the warrant, as far as our needs are concerned, we will gladly give up the surcharge, and you're not losing anything by this. Because they're going to give up very little on this, and this will be a negotiation that will take a year, or two, or three.

Nixon: Really?

Burns: I think so, yeah. [...] The economics is that it is psychologically and politically—look, let me tell why this is important to some of the Europeans. The purpose of central banks, if we don't raise the price of gold in terms of U.S. dollars, and there is an appreciation of foreign currencies in terms of the U.S. dollar, then the price of gold in terms of the currencies of European countries and Japan will have to go down. And the central banks say, hell, we're a lot poorer than we were, they don't like that. Now next they say, that international reserves, as measured in terms of gold, will be reduced. Now in the world of SDRs, that doesn't matter any longer. So there's nothing here of economic substance, but politically, politically I think they have to go to their parliaments, not all of them, but

some of them do, and justify an appreciation of their currency against the U.S. dollar, and they feel since they have to make this concession they can argue the case with their own people in government that the U.S. has this rigid position on the price of gold. And in a sense, you know, when everybody has a political problem—

Nixon: Misery loves company.

Burns: That's right. [...] I can take the same position as Connally. If I do that, I'm not going to learn a thing. I can take another position, indicating, well, I am a central banker, and an economist, I don't really represent my government at these negotiations, but I am interested in resolving a U.S. problem, an international problem, I can say it in that fashion. I won't do it unless you want me to.

Nixon: The problem with that is a domestic one. It might be all right with them, but the problem is that I would hate to see a paper get out that Arthur Burns splits with Connally.

Burns: Oh no, this I would do first with your explicit permission, and second only with the central bankers, and with two finance ministers.

[Extraneous text omitted for length]

Nixon: I think it's important to be sure that we all know what everybody is doing. As a matter of fact, that sort of thing appeals to me, one to another.

Burns: I've done a little of this, but not very much.

Nixon: You may go out on a sort of fishing mission, and say 'what do you fellows risk?'

Burns: This is exactly my point.

Nixon: But say, "look, I can't speak for the administration and you're not going to hurt [yourselves] when you indicate to me what we have to do." Maybe that's the way to approach it. I think you have no problem at all with Connally in my view. He's a very sophisticated politician. You should tell him, and he'd probably greatly approve. He is, and of course, not an expert in this field, he'd probably say "sure, go out and find out what you can, but just be careful that we don't indicate that we are giving something away." It appeals to me.

Burns: See, Connally isn't going to find out a thing. His technique is not one designed to illicit any information from the others. I know this much: let me tell you what I found out without Connally. [...] I've been able to draw

them out by indicating one thing, that this gold problem is a political problem rather than an economic problem. That's quite a concession. Because the position of the U.S. government has been that this is a terribly important economic problem, and it isn't. Let Connally take that position, let him take the position that he can't discuss it because he is under instructions from his president. It's a very good bargaining position for him. But it's not a position that enables him to extract anything from the other fellow. There is also a tradition among central bankers who talk rather frankly, more frankly than political people, [like] the finance ministers do. But I'm going to do that only if I have your explicit approval, and Connally's full understanding.

Nixon: So he knows.

Burns: Oh yeah.

Nixon: I have every confidence in your ability to negotiate and talk and so forth, I just have, the only concern I have is that I don't want to have the feeling there's is a hell of a split about the thing, because they'd really eat us alive.

Burns: Well, I'm going to play this, as far as the press is concerned, I'm going to be with Connally 100 per cent, completely. As far as these other fellows are concerned, the economists, and exploring questions with them, not representing the government.

Nixon: Good.

[Extraneous text omitted for length]

Burns: There's something else, Mr. President. I'm not sure Connally is your best negotiator here. He doesn't understand foreigners sufficiently, and now there's a certain opinion that Europeans have formed of him, and the opinion I think has two dimensions. First, he's very tough, that's good. Second, he doesn't understand us, and that's not good.

Nixon: The fact that he's tough is good. We haven't had much of that in recent years.

Burns: I think a team to work with Connally will have to be set up and the State Department will have to be represented. You know, Mr. President, the State Department can work around you and around us, very easily. And therefore they have to be a party to this, I think.

Nixon: Yeah, yeah. You see, we've got a lot of people in this, we've got the Council [of International Economic Policy]'s in it, [Pete] Peterson's, his shop is interested in this problem, you've got the State Department,

you've got the Commerce Department, the Treasury, and you've got the Fed.

Burns: I think I would have a group, a small group, perhaps no more than five or six, partly because the deliberations have to be secret.

Nixon: You understand that I have appointed such a group under Connally.

[Extraneous text omitted for length]

Burns: Now, whether you want Kissinger in on the act, or not, I don't know. He should be informed, because he's so close to you on questions [of foreign policy].

Nixon: He'll know all the political questions. Kissinger's got awfully good judgment on a thing like this. What I mean, is that he's smart enough to stay out of things he doesn't know anything about. On the other hand, he'll say he doesn't know anything about it, but he'll put in a heavy word and say, look, you can't do this to the Germans, or you shouldn't do that to the French, or Pompidou owes us one, or the British had better not talk that way, or particularly the Japanese, he knows. This is very important. Kissinger ought to sit in on a meeting when we get further down the road.

[Extraneous text omitted for length]

After Arthur Burns exited the Oval Office from his long one-on-one meeting with the President, Henry Kissinger stepped in to offer his advice on the best way to move forward with the negotiations planned with the Europeans:

Kissinger: One thing you might consider, Mr. President, I've talked to Connally about it. [...] We could say that we are ending the surcharge but we are insisting that the currencies continue to float until we have a system that is satisfactory, because they're all united against the surcharge.

Nixon: The difficulty is the surcharge, Henry, is so popular domestically that we just can't end it until we get something for it. Hell, the surcharge is supported by 85 percent of the people. Good God, you just can't give it away.

[Extraneous text omitted for length]

Nixon: There is much more involved here than simply a currency revaluation, non-tariff barriers, etc., that there is a question here of burden-sharing, and political questions. And since with some of these nations we have some

political stroke, and others we don't, I'm inclined to think, and Arthur Burns and Connally both share this, that you should be in on it.

[Extraneous text omitted for length]

Kissinger: But our handicap right now is that we don't know exactly what we want, and what to put our weight behind.

This issue continued to occupy much of the President's time over the course of the next few weeks. On September 24, John Connally argued against the President's going to Congress at all, noting, "to change the price of gold we have to go to Congress, and to go to Congress with an issue of this kind, we're opening up a Pandora's Box, indeed we get every protectionist speech made, they're going to hold extensive hearings on our trade with every country in the world."²⁸¹ In response, Nixon noted, "I will not allow this decision to be made without weighing in the international political situation and also without weighing very heavily until the elections of November '72 the domestic political repercussions, because boy is it true, domestically in this country, there is a strong attitude which is not healthy, and we've got to be just a little bit ahead of them, or somebody can seize that, you know what I mean?" Meanwhile, in the same meeting, Arthur Burns continued to predict doom and gloom. "The central bankers keep on telling me that there are signs of an incipient recession in Europe. [...] If there is an international recession next year, mark my word for it, we are going to be blamed." President Nixon even brought economist Milton Friedman into the Oval Office to get his informed perspective of the problems Europeans had with the American proposals.²⁸² Friedman noted, "it's very simple, purely political. [Say] you're a central banker in France, and you stand up in Parliament, and [in] the Parliament, one of the [parliamentarians] says to you, 'are you on the dollar system', 'are you a satellite of the U.S.?' The central banker likes to say, 'no, we're on a gold standard.' That's a hundred percent

²⁸¹ Nixon Tapes, Oval Office 578-4, September 24, 1971, 9:52 - 10:29 am.

²⁸² Nixon Tapes, Oval Office 578-5, September 24, 1971, 10:33 - 11:44 am.

of the whole reason. It's to provide a political achievement at home, because in fact, changing the price of gold or leaving the window closed has no effect. It makes no differences whether we don't sell gold at \$35 an ounce, or we don't sell it at \$38 an ounce. However, from their point of view, they can maintain the fixed rate, that gold has a role to play, and they can say to their politicians [that] the U.S. contributed to this change. In a way, it's very tempting to do it, because it costs us nothing." For the French, a dollar standard was more than a continued dependence on American liquidity. In addition, proud Gaullists resented a monetary regime that allowed the United States to extend American influence in Europe both economically, as American investors sought to increase their control of French industry, and military, with the continued existence of military bases in Europe stocked with significant numbers of both American personnel and materiel.²⁸³

In addition, although President Nixon occasionally liked to threaten Arthur Burns, his staff, and the independence of the Federal Reserve, he must have found value in the very candid discussions he had had with him, because he was back in the Oval Office a few days later on September 29, 1971. Burns once again attempted to convince the President of the proper courses of action in negotiating with the Europeans, repeating many of the same arguments from prior discussions.²⁸⁴ A few of Burns' points, especially those about John Connally, were discussed privately the following day, on September 30, 1971, after the President and Henry Kissinger had met with a high level British delegation, led by former Prime Minister and then Foreign Minister Alexander Douglas-Home and former Governor of the Bank of England and then Ambassador to the United States George Baring. Following that meeting, Nixon and Kissinger both agreed that

²⁸³ Michael D. Bordo, et al., "France and the Bretton Woods International Monetary System, 1960 to 1968", in Jaime Reis, ed., *International Monetary Systems in Historical Perspective* (New York: St. Martin's Press, 1995), 153.

²⁸⁴ Nixon Tapes, Oval Office 580-5, September 29, 1971, 10:33 - 11:15 am.

Connally was a liability and should be watched more carefully. Kissinger remarked: “I have to meet more regularly with Connally, because the Texans really don’t have the diplomatic touch. [But] I think he’s by far the best man in your cabinet.”²⁸⁵

In the course of these negotiations, the president created both new friends and new adversaries. On October 7, 1971, in a phone conversation between President Nixon and Counsel to the President Chuck Colson, Colson called to deliver a message from Senator Barry Goldwater to the president: “I don’t know whether this Goddamn program will work’, he said, ‘it doesn’t make any difference’. He said ‘personally, it probably stinks’.” Nixon responded, “So do I.”²⁸⁶ Two weeks later, when Colson called President Nixon to give him an update on the latest economic figures, Colson reported that [Director of the Office of Management and Budget] George [Shultz] is “very worried that [Chairman of the Federal Reserve Board] Arthur [Burns] is tightening the screws too hard [...] that with what you’ve done [he] assumes that this is the time to really beat inflation. Well, that’s fine, but Jesus, let’s not strangle the economy in the process.”²⁸⁷ Nixon, fearing lack of influence with Burns, remembered he had other tools to influence Burns: withholding appointments to the Fed’s Board of Governors, declining Burns’ salary increases, and refusing to meet with him. The president asked, “what do I have, one or two appointments to that Board?” Colson responded, “I think there’s one right now, Mr. President, and then there’s another one starting the first of the year.” Nixon noted, “Well, we’re going to hang that over his head. He’s got his own candidates, but by God [...] we’ve got to get some people, that are going to be more on our side.”

Throughout the fall, and specifically October and November, negotiations with the Europeans did not go well. In fact, the situation was so dire that President briefly toyed with the

²⁸⁵ Nixon Tapes, Oval Office 582-9, September 30, 1971, 4:10 - 5:31 pm.

²⁸⁶ Nixon Tapes, White House Telephone 11-14, October 7, 1971, 9:03 - 9:09 pm.

²⁸⁷ Nixon Tapes, White House Telephone 12-53, October 21, 1971, 6:08 - 6:24 pm.

idea of returning to a system of convertibility, dollars for gold, as well as compromising on other aspects of his New Economic Policy in order salvage relations with the European allies. On October 26, in a meeting between John Connally and George Shultz, Nixon said he wanted to “screw the French and the British, all the way,” and that “the only country worth a damn in Europe are the Germans”, who were at that pointed isolated in Europe for nominally supporting the American policy, causing a significant split with France.²⁸⁸ However, President Nixon never abandoned his core principle on the reforms, as he noted “in my view, knowing as little it as I do, I lean to the proposition that is basically Shultz’s, which is float: let the Goddamn thing float.” In fact, as Connally pointed out, it was some of the other reforms, such as the import surcharge, which were proving the most sticky, which would “probably drive Europe to coalesce even tighter and maybe get fixed exchange rates between their respective countries.” On the other hand, if the Americans were successful and in particular Germany continued to accede to American wishes, Connally noted, “we would break the European Common Market, [break] the [European] Community.”

Finally, Nixon expressed his disgust in reading all of these dissenting views in the newspapers each day. He noted that the reason there were not any leaks over the weekend of August 13-15 was because he “locked those people up and told them there would be no phone calls.” Also, in surveying the economic challenges ahead, Nixon looked backward, to the failed 1960 presidential bid, and that Arthur Burns, under the leadership of then Chairman of the Federal Reserve William McChesney Martin “already screwed him once” in 1960 when he left the money supply too tight, but Nixon would not let it happen again in the 1972 elections.

²⁸⁸ Nixon Tapes, Executive Office Building 303-9, October 26, 1971, 2:49 - 5:55 pm. The disagreement with Germany is expanded upon in Ambassade de France, *Address Delivered by Maurice Schumann, French Minister of Foreign Affairs, Before the National Assembly on November 3, 1971* (New York: Service de presse et d’information, 1971), 3, and technical details over which they disagreed are succinctly summarized in Alfred Grosser, *The Western Alliance: European-American Relations Since 1945* (New York: Continuum, 1980), 257-258.

The president was satisfied now that differences had been smoothed over with the British, but there were still outstanding issues with the French. After an extensive Oval Office meeting on October 28, 1971 with the Quadriad—Paul McCracken, George Shultz, Pete Peterson, and John Connally—as well as Arthur Burns, Pete Flanigan, Ron Ziegler, and Henry Kissinger, the president summarized the situation with Kissinger after the other participants had left. He noted that the problem with relations with the French is that they have become so self-sufficient in recent years under the long tenure of President Charles de Gaulle, “it is hard to beat them, because there is nothing they want or need from the United States.” This was the most prominent weakness in Nixon and Kissinger’s strategy of linkage.²⁸⁹ The strategy of linkage—whether with Europeans, the Chinese, or the Soviets—worked well as long as each nation involved in a particular set of negotiations needed something from the United States, whether it be a defensive agreement, economic aid, or a political alliance. However, with France out of NATO, it was difficult to link the American need to get a monetary settlement from the Europeans to a defensive quid pro quo. Moreover, given the political independence of de Gaulle and, although less so, of his successor Georges Pompidou, and the French hoarding of gold rather than dollars as opposed to, say, the Federal Republic of Germany, it was very difficult indeed for Nixon, Kissinger, or Connally to exact many monetary concessions from the French. As a result, the following day, On October 29, 1971, Kissinger again urged the president in the Oval Office to make a determination as to what he wanted from the negotiations with the Europeans rather than simply sending Connally into antagonize them further. Europeans were already accusing the United States for not shouldering enough responsibility.²⁹⁰ Kissinger noted, “I think what we ought to do is to formulate, at least for ourselves, what outcome we want. I don’t think it’s a

²⁸⁹ Nixon Tapes, Oval Office 606-2, October 28, 1971, 3:03 - 5:54 pm.

²⁹⁰ Egon Bahr, *Zu meiner Zeit* (München: Karl Blessing Verlag, 1996), 256.

good idea to say ‘let the Europeans make a proposition’ because I don’t know whether they would make a better proposition than we can formulate. At least we ought to get it down on paper.”²⁹¹ In fact, Kissinger recommended to the President on October 30 that the proper course of action to take in the negotiations with the Europeans was to meet individually at the head of state level, “picking them off one by one.” Nixon agreed, and proposed meeting them each in a neutral location, that way there was not an obligation to meet with any adjoining nation on the same trip. He suggested meeting French President Georges Pompidou in the Azores, West German Chancellor Willy Brandt at the president’s home in Key Biscayne, Florida, and British Prime Minister Edward Heath in Bermuda.²⁹² This strategy, most importantly, would mean the U.S. could avoid its worst fear: negotiating in a forum such as the European Community where the U.S. would be greatly outnumbered and without a vote.

Meanwhile, other, presidential advisers such as John Ehrlichman also occasionally met with the president to keep negotiations moving along, sometimes by inspiring fear in the president. On November 5, Ehrlichman, after speaking with Milton Friedman, reported, “well Milton, interestingly enough, when I talked to him on the phone a couple of days ago, he said, ‘the parallels to 1960 just scare the daylights out of me.’ Those were Milton’s words.” Nixon responded, “would you tell Milton that he ought to call Arthur, or would it do any good?” Ehrlichman commented that “he’s on the outs with Arthur, but if he writes an article, that has its impact on Arthur.” The president concluded, “well, I want a program of people putting the heat on Arthur, calling him. You and Colson and Flanigan sit down and think, who are the people that Arthur respects the most?”²⁹³ President Nixon also began to openly express doubt in his negotiating team, which he had formerly been very hesitant to do. To Henry Kissinger, he noted

²⁹¹ Nixon Tapes, Oval Office 607-4, October 29, 1971, 8:40 - 10:35 am.

²⁹² Nixon Tapes, Oval Office 609-3, October 30, 1971, 8:54 - 9:58 am.

²⁹³ Nixon Tapes, Oval Office 615-8, November 5, 1971, 9:27 - 10:04 am.

that George Shultz and John Connally have a “total bias”, so much so that they “can’t make a deal” with the Europeans.²⁹⁴ Kissinger more and more evolved from the role of an outsider to becoming the central figure in an area of unfamiliar technical policymaking, utilized by the president to rescue the negotiations and prevent permanent damage with European allies.

Kissinger offered a very constructive assessment of the situation as of mid-November:

Kissinger: Connally’s present strategy, as I understand it, Mr. President, his strategy is that we have to get a structural reform of the international system. Secondly, we ought to undo all the grievances that we have piled up over the fifteen years of discriminatory treatment. Thirdly, we have to reverse the balance of trade in our favor. And we have to do all of it in one big negotiation, and therefore we have to squeeze them by the balls, and not tell them what we want until they get so desperate that they have to come to us and yield. The problem with it is, at first blush, a lot of disparate issues. For example, he’s squeezing the Germans incredibly on the offset, which has the practical tendency of ruining our best friend over there, the defense minister [Helmut Schmidt].²⁹⁵ And I feel those 50 million [dollars] plus or minus don’t matter that much. And what the danger is, is that we are getting structural problems linked up with a lot of special interest problems [...] we’re uniting all of these [European] countries against us by not telling them what we want. My feeling is that we ought to say what we want, that can be very tough, and it shouldn’t be convertibility, for example, so that we can start talking and giving some people a standard [...] secondly, we have to ask ourselves not just can we win what we get from fighting now, most people think we can’t win [...] if we screw everybody in this free world, and force them to surrender, we are going to give them an incentive to organize [...] that we can never do it again, and we will then undermine the whole structure of free world cooperation. The Europeans are more petty than they’re evil. And the danger is that at the precise moment that a new generation is coming to power in Europe, we are putting it to them in such an abrupt way, and, my judgment is, you know how much I admire conflict, but I think Texans hate foreigners. I’ve seen LBJ operate, and Texans think that the way to make a deal is to get the other guy by the balls and squeeze them until he knows you can do it to him. Well, your tactic is to always to do it with finesse and to maneuver the guy so that he thinks he’s doing it at his own volition. I don’t agree with [Chairman of the Federal Reserve Arthur]

²⁹⁴ Nixon Tapes, Executive Office Building 298-5, November 11, 1971, 11:29 - 1:16 pm.

²⁹⁵ In his memoirs, Schmidt ironically claims that his views on monetary reforms were closer to those of Arthur Burns, i.e. pro-pegged rates, than anyone else. In a humorous passage, Schmidt recalls that after he conveyed these thoughts to Burns, Burns replied “your talk makes a lot of sense, young man.” Schmidt was 53 years old at the time. For more information, see Schmidt, 153.

Burns, Burns wants to go back to the old system. And actually, you are not badly placed, Mr. President [...] you look at it as a political statement point of view. You can still drive a very hard bargain. But give them the sense that they are participating in the decision. They can't take us politically at home to browbeat us into a change.

This was a turning point for President Nixon. It was now crystal clear that his economic advisers fit into two camps, those that excelled at finance and economics, and those that excelled at politics. What Nixon desired most at this stage was a negotiator who excelled at both, but all of his top economic and monetary men fit into one category or the other. Connally was still the man who most closely fit the bill. He noted, "you cannot separate economics from politics, and this is something that George [Shultz] would never understand. But Goddamn it, he's an economist, and he doesn't understand the politics. [Pete] Peterson doesn't understand either. The key to the game is [John] Connally. Peterson is not Connally's type of man, you see what I mean? Peterson basically is an internationalist, you know, sort of a liberal type, and Connally's conservative. [Peter] Flanigan on the other hand is a touch, ruthless conservative."

Of course, it was only a matter of time before some of the President's doubts in his team affected their work. However, in meetings with advisers such as John Connally or George Shultz, Nixon never rebuked them. Instead, Nixon pretended to not know what was going on, and when there was a problem, he tended to blame it on his lack of knowledge in the subject matter or that criticism for taking a hard line in negotiations with the Europeans belonged to him, because his negotiators were merely doing what he ordered them to do. Nixon simultaneously encouraged his negotiators to be tougher and tougher, but when their ruthless tactics were criticized by other top aides such as Arthur Burns, in the company of such critics Nixon did not say much or appeared to be uninformed about the tough approach taken in the negotiations, and even encouraged the critics to conduct their own parallel negotiations with the Europeans. In a long November 14

one-on-one meeting between Secretary of the Treasury John Connally and Nixon, Connally noted:²⁹⁶

Connally: The only thing that worries me about this international monetary thing, not that we're not doing the right thing, the truth of the matter is, that none of these people are giving an inch. Now we forced them to float.

Nixon: Yeah.

Connally: Other than that, they've come forward with absolutely nothing—

Nixon: Is that right?

Connally: Nothing. Except they say "we'll cooperate."

Nixon: In other words, they come forth with what basically as I understand it, they want us to raise the price of gold. I want you to talk to Henry, and get his view, political stand aside, he's European. This really is a problem. Every time we have a situation like this, the United States is expected to be responsible, and the rest of the nations are irresponsible.

Connally: That's correct.

Nixon: Now in this instance, we of course have to act as if we're being responsible, but on the other hand, we've got to be very strong. I don't know, this whole gold thing, I don't know anything about it.

Meanwhile, a few days later, on November 15, President Nixon again expressed his dissatisfaction with Connally to Henry Kissinger. However, both Nixon and Kissinger still admired him because of his other contributions to the administration and because he had always been politically popular going back to at least the assassination of President Kennedy. On that day, November 22, 1963, Texas Governor John Connally was seated directly in front of President Kennedy, and Connally suffered but survived five different gunshot-related injuries. Therefore, Nixon and Kissinger were quick to shield him from public criticism and encouraged him to maintain his tough stand in the negotiations, even though they appeared to sometimes undermine him privately. On speaking to Connally during the ongoing negotiations, Nixon

²⁹⁶ Nixon Tapes, Executive Office Building 296-16, November 14, 1971, 5:02 - 6:41 pm.

advised Kissinger, “you’ll find Connally, as I said, be very careful because I imagine he’s sensitive. He’s been reading the papers and he knows he’s taking a kick in the ass and so forth, and just be terribly sympathetic.” Kissinger responded, “when I talked to him yesterday, I just called him to welcome him home, and he chatted along for half an hour. It wasn’t a very important thing, and I thought to myself, ‘God, what a man.’”²⁹⁷ But Kissinger did more than admire him. Now that Kissinger was tasked by the President to save the negotiations with the Europeans from becoming a serious diplomatic snafu, Kissinger summarized a recent conversation with Connally for Nixon in which he gently suggested to Connally that he moderate his negotiating strategy: “I went over, and I told him that, ‘I, frankly, I was not coming as the president’s emissary, I’m coming as his friend. I’m not going to give you any trouble. I’m not going to work against you. I’m not going to have a confrontation with you in front of the president. I’m telling you as a friend. You’ve now smashed the system. No one would have had the guts to do it except you. All these [European] guys who are crying now would have settled last September for the cheapest terms. Now I figure it’s my judgment, if you want to emerge as a statesman out of this, you have to move into the constructive phase. It’s always a question of timing.’ And he said he agreed.”

Once it became clear that Kissinger’s involvement was needed, President Nixon realized he no longer had just a technical, economic problem related to establishing new exchange rates between currencies. He realized he had a full-blown foreign policy problem. In a meeting on November 16 in the Executive Office Building with all of the principles involved—Pete Peterson, George Shultz, John Ehrlichman, Bob Haldeman, and Henry Kissinger—President Nixon noted the importance of including Kissinger in the ongoing discussions.²⁹⁸ The absence of Secretary of

²⁹⁷ Nixon Tapes, Oval Office 618-11, November 15, 1971, 8:54 - 10:20 am.

²⁹⁸ Nixon Tapes, Executive Office Building 295-14, November 16, 1971, Unknown between 5:05 - 6:39 pm.

the Treasury John Connally from this meeting was conspicuous. Earlier in the day, the president met him in the Oval Office and conveniently sent him out of town on a public relations campaign to promote the president to leaders in the business community.²⁹⁹ This coincidence just happened to occur on the day when Nixon decided to meet with all of the top aides working on the monetary negotiations, and a meeting in which he officially blessed Kissinger's new involvement in the negotiations with the Europeans. As Nixon regrouped his top advisers, *sans* Connally, the President changed the American negotiating position. He borrowed Kissinger's earlier point of view that the American negotiating position should be worked out before negotiations advanced any further. The President noted, "we may have meetings with the European heads of state in the month December, and we can't go in those meetings without something to say on this problem. It may be that we're not ready [yet]." Earlier in the day, as Nixon was preparing for this meeting in his Executive Office Building office, he again angrily rebuked Connally to Kissinger. In negotiations with the Federal Republic of Germany, Nixon noted, "one thing, Henry, that I want you to get across to John [Connally] is quit haggling around about the Goddamn offset. Now, with the Germans, you can haggle around for \$50 million more or less on the offset, whereas you might be haggling about \$500 million or more on something else."

It was also a continued presidential prerogative to reign in Chairman of the Federal Reserve Arthur Burns. In the same meeting with Henry Kissinger, Nixon stated, "we're going to have to bring Arthur in and be ready to roll. Because Arthur is playing without question the game here, or working all over town and all over the international community to go back to convertibility, is he not? Well, he says no, but he is—'raise the price of gold' in some form, a limited form of convertibility." However, Kissinger, having become involved rather late in a

²⁹⁹ Nixon Tapes, Oval Office 619-7, November 16, 1971, 9:53 - 10:13 am.

process distant from his areas of expertise, noted his limited ability to help with the situation: “I agree we shouldn’t give up on convertibility. And I don’t want to get into the details because I am not competent like Arthur. My recommendation doesn’t do you a damn good. All I can repeat is what I hear people saying.” Nixon knew all of this. He brought Kissinger into the negotiations because he understood the consequences of the negotiations on overall American foreign policy better than anyone else. Kissinger commented, “I’m really very concerned about the way that things are shaping up politically in every one of these countries. Italy has a recession [...] Germany has a recession [...] we’re going to Moscow, but Japan is a mess. Western Europe is in a mess. We’ve given up our friends to our enemies.”

Nixon also reinforced his determination to keep pressure on Arthur Burns earlier that same day in another meeting with Paul McCracken and George Schultz, in which the president condemned Burns’ intransigence.³⁰⁰ Nixon admonished, “you see Paul, we’ve got to keep Arthur’s feet to the fire on the money supply. By God, we have got to put his feet to the fire on this thing. Connally’s going to start working on him incidentally, and I’ve got [Washington Redskins owner] George Allen, old George, big George, he’s going to work on him from the private side.” After all, it was after hours when Burns the socialite exposed his Achilles heal by being loose-lipped at various soirees.

Chairman of the Council of International Economic Policy Pete Peterson, next to Burns, was the next most likely to be out of step with the administration line on the negotiations with Europeans, due to his “pro-European”, “internationalist”, and “liberal” views. Although Nixon admired Peterson, and thought he could be useful on many initiatives, he dealt with him swiftly. Nixon noted, “I have straight-armed Arthur, and I have also kept Peterson away.”³⁰¹ To isolate

³⁰⁰ Nixon Tapes, Oval Office 619-12, November 16, 1971, 11:13 - 11:38 am.

³⁰¹ Nixon Tapes, White House Telephone 14-151, November 17, 1971, 10:05 - 10:18 am.

Peterson, Nixon decided to move him to Secretary of Commerce, replacing outgoing Secretary Maury Stans, who took a prominent role in Nixon's reelection campaign. On the monetary negotiations and pending summit plans with the Europeans, now that Burns and Peterson had been tamed, Nixon commented to Connally, "I've got that thing on the track", which leaves "three people that are good" to manage international economic policy. "It leaves it to you, [...] Shultz, and Kissinger." This was Nixon's first opportunity to explain one-on-one to Connally why it became necessary to bring Kissinger into the negotiations. Nixon noted that National Security Adviser Henry Kissinger had become involved because he is "on the political side [...] and George [Shultz] [...] can tap into the Council [of Economic Advisers]. He knows what [Herb] Stein, and [Paul] McCracken, and all those fellows think." On Shultz, the President noted that "George is not doctrinaire, he'll just play the game." Connally agreed, and noted "he's completely loyal to you."

However, even though the President constantly tended to his economic team to make sure they were all marching in step, he still had problems with other areas of the government. And after all, this was just one policy issue, albeit a significant one, that Nixon dealt with in late 1971, along with the Vietnam War, the upcoming visits to China and Moscow, and a developing situation in South Asia that would soon be a full-fledged war. But, with monetary and economics matters at center stage for the moment, that same day, November 17, 1971, President Nixon expressed his dissatisfaction to Chuck Colson with the way the administration reported economic figures.³⁰² After all, if the administration could not get an accurate story out to the American people, the President and his team would not get the credit they deserved for these important reforms. Nixon was upset at what he interpreted to be a growing pattern of under-reporting positive economic trends, consequently taking criticism in the press, and then later those same

³⁰² Nixon Tapes, White House Telephone 15-8, November 17, 1971, 7:17 - 7:25 pm.

figures would be revised upward, but without any recognition for the administration, and usually much deeper in a publication such as the *New York Times* in a scarcely read follow-up column. Nixon stated, “I really gave Shultz hell on that today, I said, ‘now look George, I understand a mistake of five percent, a mistake of ten percent, but a mistake of thirty-five percent on the estimate? Now Goddamn it, can’t we get some better statisticians, even in [the Department of] Commerce? That’s terrible.” After Colson agreed, Nixon added, “now, Goddamn it, you’ve got to get these people in line, and line ‘em up and kick ‘em in the ass.” Noting the Commerce uses Bureau of the Census data, Colson said “we finally got rid of some guys over there; we may have to get rid of some more, because there’s no question that the pattern is very steady.” The conversation then turned to Jews:

Nixon: The Census, is that a heavily Jewish bureau, too?

Colson: Uh, I haven’t looked but—

Nixon: Like the rest?

Colson: —but I wouldn’t be a bit surprised.

Nixon: Check it out. Check it out. There could be a whole incestuous relationship here, that’s my point, between the Bureau of Labor Statistics, the Census Bureau, and the rest, you know? It’s the fact that they all work together. And, that’s why I’ve been intrigued with the idea of even getting one of our Jewish friends to be the head of the whole Goddamn thing, and then he knows his people, you see, a friend that’s with us.”

Colson: Well, that’s, that would be a— [*laughs*]

Nixon: Like a Herb Stein. [*laughs*]

Colson: —[Alan] Greenspan, if we could.

Nixon: Yeah, Alan Greenspan would be good, but what would be too subject to—

Colson: Yeah, we couldn’t give that one away.

As 1971 wound down, and the timetable, agendas, and briefing books were being prepared for Nixon's upcoming visits to China and the Soviet Union, the two summits began to be of more interest to Europeans than the details of monetary agreements that had been discussed *ad nauseam* for months. The coming mini-summits with France, the United Kingdom, and Great Britain were intended to each be a bilateral forum where each pair of heads of state could come to some political agreement on future monetary policy, and then task their technical experts would work out the details of the agreements. However, the agendas for the European summits became filled more and more with other discussion items, such as the visits to China and Soviet Union, the Vietnam War, and NATO.³⁰³ In a phone conversation between President Nixon and Secretary of the Treasury John Connally, Nixon said that, "prior to our trips aboard [to the People's Republic of China and the Soviet Union], I've got to meet with our allies. I've got to meet with the French, the Germans, and maybe the British. That will be in the month of December and early January, you see."³⁰⁴ Nixon continued, "And on that occasion, it is my view, what I am thinking of at this point, those will be working meetings [...] we will meet in neutral places." And to jump-start summit negotiations on international monetary policy, Nixon noted that each should "bring their finance ministers [...] and I think it I'll pick 'em off one by one, it's better." Fearing a deterioration in transatlantic relations, the President added, "I've got to meet with them, though, because you see, they're whining that I, apart from the monetary thing, they're complaining 'you're not telling us, consulting with us about Russia, you're not consulting with us about China, you're not consulting with us about NATO', and so forth. So, it, at a time that we are meeting with our enemies, the strategy is that I want to meet with our friends." After Connally agreed, Nixon concluded "let's keep Arthur out of this game because

³⁰³ Willy Brandt, *People and Politics: The Years 1960-1975* (London: Collins, 1978), 296.

³⁰⁴ Nixon Tapes, White House Telephone 12-53, October 21, 1971, 6:08 - 6:24 pm.

Arthur [...] is not going to play the game our way. And then we'll program him just as we did up there at Camp David", the weekend of August 15, 1971.

Toward the end of November, the negotiations with the Europeans became more specific, over remaining areas of disagreement. In a meeting with Press Secretary Ron Ziegler, John Connally, Henry Kissinger, and Bob Haldeman, Connally reported to the president that, as an example of one outstanding issue, "France has a phobia about gold. [French President Georges] Pompidou has it. Everybody has it, because they have told their people over a long period to buy gold, to hoard gold. There's probably three billion dollars held by French citizens in gold. They just squirrel it away. So it's a major issue with France, no question about it."³⁰⁵ However, as Connally noted, the Europeans were prepared to propose an early end to the long standoff in negotiations, before the summits with France, Germany, and the United Kingdom were to take place. He continued, "The Group of Six—this is France, Germany, and so forth. They're going to make us a proposition at this Group of Ten meeting [in December]. [...] Now the problem is, that they want us to change the price of gold, and give up the surcharge, for this realignment that I've just listed for you. Now I said to them, that's just not possible. I said, in the first place, the realignment isn't [big] enough. Second place, you're asking us to both change the price of gold, and [...] remove the surcharge, and all you're saying is that you'll talk about it. The question is, really, how tough we want to be." To that the president responded, "the meetings that we're going to have with Pompidou, Heath, and Brandt. Just thinking out loud, it might be to their efforts, to let this sort of generate out of the sort of the highest level." In other words, the President was suggesting that it was time for Connally, still his top economic negotiator, to cool his heels, that Nixon knew that the only way to solve such a complicated problem as the realignment of exchange rates was to first achieve a political agreement at the highest level and

³⁰⁵ Nixon Tapes, Oval Office 623-3, November 23, 1971, 10:01 - 11:40 am.

then let each side work out the details. Also, in the same conversation, the President again encouraged Connally to put pressure on Arthur Burns, noting, "I'm going to heat him up again tomorrow. You can tell him that. Why don't you just say this, that 'Arthur', tell him, 'in fairness, you should know the president has [...] had some very, very heavy pressures [...] the money supply thing is just not on a good track. It's got to go up.' Why don't you tell him that? Put it that way, that I'm getting heat." Of course, this pressure on Burns would not only keep Burns busy in meetings with the Federal Reserve's Open Market Committee, but a loose money policy would be good for Nixon's domestic programs that required increased spending to support economic expansion, which would likely filter down to upward-revised economic indicators midway through the following year in the middle of the election season. The pressure on Arthur Burns continued, and the president employed anyone he could to rein in Burns, barraging him with waves of scrutiny. Nixon knew no limits in his pursuit of Arthur Burns. Later that same day, President Nixon met with Herb Stein to discuss his coming promotion to Chairman of the Council of Economic Advisers. Since Paul McCracken had given notice that he intended to return to the University of Michigan at the end of the year, Nixon was careful to note that the most important qualification for the job was influence with Burns. Nixon later noted, "now, the main thing is, we've got to be damned insistent on: [Stein's] just got to stand up to Arthur and kick him in the nuts on the money supply."³⁰⁶

Then, later, when President Nixon was preparing to meet with British Prime Minister Edward Heath, he called to discuss the proposed meeting with American Ambassador to London Walter Annenberg.³⁰⁷ Annenberg noted that when the president met with Heath, he "will find the Prime Minister in a cordial frame of mind. I think he was unhappy for a period. I think he's

³⁰⁶ Nixon Tapes, Oval Office 623-24, November 23, 1971, 4:57 - 6:07 pm.

³⁰⁷ Nixon Tapes, White House Telephone 16-80, December 10, 1971, 4:20 - 4:27 pm.

getting over it.” Responding, Nixon noted that “we’ll talk very candidly and honestly with him, but I think we’ll get along, we’ll get along.” Secretary of the Treasury John Connally, sitting next to the President in the Oval Office, was put on the phone, and took a tougher line in response to European criticism of the American trade deficit: “Walter, without belaboring this, in the paper the day before yesterday, we saw where Great Britain was going to run a *three billion dollar surplus* in her balance of payments this year, the largest surplus in her history.”

Annenberg responded, “the reaction around Europe is that you’re pretty close to a deal, that a deal has been roughed out. It’s just a question of the President and some of the leaders putting the finishing touches on it, at least that’s the reaction I get out of all the countries over here.”

Connally concluded, “Well, Walter, that’s right. The President’s options are entirely open to him. We’ve tried to structure it in such a way that we’re fairly close, but those countries over there have to be forthcoming a bit. Now we’ve already gone farther than we should but the President has the options, and if Pompidou, Heath, and the rest of them are halfway reasonable, I think it can be settled in the next month.”

A few minutes later, Chairman of the Federal Reserve Arthur Burns called President Nixon to let him know he was cooperating with the administration’s loose money policy and that the Federal Reserve Board Open Market Committee had reduced the discount rate that day to 4 ½ percent, which helped to set the economy on an expansion footing in 1972.³⁰⁸ Burns noted that, “we’ve made the change in order to bring the discount rate in line with market conditions [...] but also to further economic expansion.” Burns, trying hard to please the boss, continued, “I’ve put them on notice through this action that I want more aggressive steps taken by that [Open Market] Committee [at their meeting] on next Tuesday.” Nixon responded, “good, great [...] just kick ‘em in the rump a little. Ok?” Burns agreed, but then came back to a long-standing problem,

³⁰⁸ Nixon Tapes, White House Telephone 16-82, December 10, 1971, 4:36 - 4:42 pm.

hoping to get something for his compliance with the President's wishes on interests rates: "we're running into difficulty with the Board [...] and I need another Board member [appointed] promptly." Put on the spot, the president said that "I will get it, I promise you [...] it just hasn't come across my desk yet."

The next week, during the final stages in drawing up the interim solution that would act as a bridge between the August 1971 shock to Bretton Woods and the final end of the gold standard which came in March 1973, a solution labeled the Smithsonian Agreement after the location of its negotiation during December 17-18, Secretary of the Treasury John Connally called President Nixon from the Smithsonian Castle. Connally noted that "they've had cabinet meetings all over the world" because once the agreement goes into effect, "they have to affirmatively act to devalue" which requires separate emergency parliamentary action in each of those nations.³⁰⁹ There had been mixed results in the negotiations with the Europeans and the Japanese: "the Japanese [...] they have offered [a] sixteen-point nine [revaluation]", the Germans, "about [a] five [percent revaluation]", the Italians, "I think we've just kind of run over 'em", "Canada's [...] been absolute bastards", "the Swedes, they're backing out, Goddamn it." The president agreed to come over to the Smithsonian and greet and thank the participants for their tedious efforts in the drawn-out negotiations. That opportunity would come the following day, when, as the final touches were being put on the Smithsonian Agreement communiqué, Nixon congratulated conference participants for their work on "not only the most historic, the most difficult, [but] the most far-reaching [agreement]."³¹⁰ Connally agreed: "there's never been anything like it." It was hailed as a major agreement, even though it was more or less an interim arrangement to revalue select currencies with respect to the dollar.

³⁰⁹ Nixon Tapes, White House Telephone 16-111, December 18, 1971, 1:40 - 1:46 pm and WHT 16-114, December 18, 1971, 3:05 - 3:09 pm.

³¹⁰ Nixon Tapes, White House Telephone 16-126, December 19, 1971, 7:55 - 8:01pm.

However, Nixon got what he wanted. He got short-term economic and monetary concessions from every European ally and Japan. Most of all, he could proceed to the bilateral heads of state summits in December 1971 with President Georges Pompidou of France (December 13-14), the Prime Minister Edward Heath of the United Kingdom (December 20-21³¹¹), and Chancellor Willy Brandt of the Federal Republic of Germany (December 27-28) without having to prepare for difficult technical discussions about exchange rates. Instead, he could talk about those subjects in which he revealed most: his upcoming visits to China and the Soviet Union. Once the Smithsonian Agreement had been signed on December 18, Nixon was proud to have stuck by John Connally throughout even the most difficult moments of negotiation in the autumn of 1971. After returning from the first two summits, those with the British and the French, Nixon bragged to Chuck Colson, “the really big thing of course is not understood by people, but it’s really a massive achievement, was what Connally did with the Group of Ten, you know. He shoved that thing [...] he just beat ‘em, and cajoled ‘em, and finally got an agreement.”³¹² Colson responded, “Mr. President, we can’t quite keep up with the news you’re making in Bermuda or the Azores, but we’re keeping things going.” President Nixon responded, “it won’t come through in the press but [...] [*laughs*] [...] we smoothed over all the sores, and now that we’ve done the French and the British, by golly, it really looks good.” He continued later, “you see, we spent with [British Prime Minister Edward] Heath, and also [French President Georges] Pompidou, eight, ten, twelve hours, you know, tough negotiating.” Colson summed up the situation by noting that “there’s nothing any tougher than that [...] but I think the public has

³¹¹ Interestingly, in his memoirs, Edward Heath notes “when it came to my turn to entertain the President for discussions at Christmas 1971 I invited him to Bermuda, which neither of us had visited before. We both stayed at Government House and for our final session the complete delegations sat round the table which had previously been used by Mr. Churchill and President Eisenhower and by Mr. Macmillan and President Kennedy.” For more information, see Edward Heath, *Travels: People and Places in My Life* (London: Sidgwick and Jackson, 1977), 192.

³¹² Nixon Tapes, White House Telephone 16-131, December 21, 1971, 10:11 - 10:35pm.

good feelings about it. They get a good feeling seeing their president doing these very important things. They don't understand the monetary thing." At this point in the conversation, President Nixon lost interest and changed the subject. As soon as one crisis was solved, he turned immediately to the next one that required his attention.

However, the Smithsonian Agreement was only one cork, and there were many holes in the dam that regulated the international monetary system. Short of a worldwide float, which the agreement did not insist upon as a concession to the Europeans, the monetary system continued to require international manipulation so that it was in harmony with the latest economic trends, a process that became more and more challenging after nearly three decades of global economic growth since the origin of Bretton Woods in 1944. Moreover, Nixon also had to deal with the jockeying of administration officials who were eager either to take credit for the successful European summits or to assign blame for a flawed Smithsonian Agreement. On January 2, 1972, President Nixon called his Chief of Staff Bob Haldeman to verify claims in the press that Secretary of the Treasury John Connally was being shut out of policymaking by Arthur Burns, Henry Kissinger, and George Schultz.³¹³ When Connally was not invited to the summit with the Germans, the press reports indicated that he decided to go home to Texas to reevaluate his role in the administration, and to generally think things over. It is true that he would decide to resign, later saying that he had agreed to be Secretary of the Treasury for only one year after being appointed in February 1971. Nixon would later defend his departure from Washington as something Connally's wife Nellie had always desired, but regardless of the precise reason, it nonetheless left much monetary work to be done by his replacement at the Department of the Treasury, George Shultz. This work would result ultimately in a worldwide float and the final end to continued piecemeal attempts to sustain fragments of Bretton Woods, but only after

³¹³ Nixon Tapes, White House Telephone 17-148, January 2, 1972, 3:58 - 4:07 pm.

American leadership on monetary issues had been so undermined partially as a result of the experiences that Europeans had had in negotiations with John Connally.³¹⁴ These cumulative experiences were a catalyst to formulating their own monetary policies. After numerous experiments that began following the Smithsonian Agreement, the euro debuted on January 1, 1999.

However, in 1972, after an autumn of negotiations, the exchange rate realignments of December 1971 negotiated at the Smithsonian, in which American allies offered the majority of the concessions, strengthened the short-term prospects for maintaining the dollar standard, and sharply improved the competitive position of the United States, but this realignment would last barely more than a year, until the entire exchange rate structure collapsed in the first months of 1973.³¹⁵ The American reforms of 1971 were innovative, but also misguided. U.S. policymakers failed to recognize that the American role in the world had substantially changed: due to the Vietnam War, there was a feeling that the United States had overreached itself economically and morally. In fact, memoir accounts of these policymakers and others influential in the Nixon administration have since admitted that the reforms, especially the more far-reaching aspects such as wage and price controls, had been mistakes.³¹⁶ Furthermore, the strong unilateral action taken by the United States in the summer and fall of 1971 suggested how disruptive an American turn to economic nationalism could be. The United States during the Nixon administration was less willing to sacrifice national objectives to support the international system it had done so

³¹⁴ William H. Becker, "The United States and the Search for a New Economic and Monetary System in the 1970s", in Helga Haftendorn, et al., eds., *The Strategic Triangle: France, Germany, and the United States in the Shaping of the New Europe* (Washington, D.C.: Woodrow Wilson Center Press, 2006), 239.

³¹⁵ Fred C. Bergsten, "Reforming the Dollar: An International Monetary Policy for the United States," (New York: Council Papers on International Affairs, 1972), 5; Otmar Emminger, "The D-Mark in the Conflict Between Internal and External Equilibrium, 1948-1975" (Princeton: Essays in International Finance, 1977), 23; Yves-Henri Nouailhat, *Les Etats-Unis et le monde au 20e siècle* (Paris: Armand Colin, 2000), 247.

³¹⁶ Connally, 241; Ebenstein, 185; Milton and Rose D. Friedman, *Two Lucky People: Memoirs* (Chicago: University of Chicago Press, 1998), 376.

much to create in previous decades. Its new attitude was epitomized by John Connally's notorious observations that "the dollar may be our currency, but it's your problem," and that "foreigners are out to screw us [...] our job is to screw them first."³¹⁷

Despite these outbursts, the United States should not receive all of the blame for worldwide monetary troubles. It was entitled to be released from the special burden of acting as the fulcrum of the world's monetary system. Therefore, the question is not whether the United States was entitled to take action to decouple the dollar from American reserve assets, but rather whether the actions taken were the right ones. After all, President Nixon's dollar crisis was essentially a continuation of his predecessors' crises, so if Nixon was to be finally shaken out of his apathy toward monetary policy, the path to reform would require a new approach.³¹⁸ In that way, the eventual collapse of the Bretton Woods system could be considered one of the most predictable of all postwar economic events. After all, how could such a system—relying on decreasing quantities of American gold—support a growing and globalizing world in which American influence was on the decline? In that respect, Nixon did the right—if painful—thing in forcing people to begin thinking about an inevitable post-Bretton Woods era, beyond an era that had been dominated by frequent economic uncertainty and instability.

Nixon's economic revolution was a short-term success. Throughout 1972, the United States enjoyed the largest real growth (5.7 percent) and the lowest rise in consumer prices (3.3 percent) since the Johnson administration. Unemployment declined to 5.1 percent, and the American balance of payments deficit shrunk drastically from \$29.8 billion in 1971 to \$10.4 billion in 1972.³¹⁹ Most important of all, Nixon's New Economic Policy visibly reestablished

³¹⁷ Eichengreen, 243-244; Gavin, 194.

³¹⁸ Dominique Carreau, *Le Système Monétaire Internationale : Aspects Juridiques* (Paris: Librairie Armand Colin, 1972), 15.

³¹⁹ Calleo, 64.

presidential leadership on the nation's economic policy just in time for the final drive to his 1972 reelection victory. Nixon—who blamed the Arthur Burnses and William McChesney Martins of the banking world for his loss in the 1960 election as a result of their tight money and anti-inflationary policies—let nothing stand in the way of his landslide win.³²⁰

What have the Nixon tapes added to our understanding of these events? First, unlike paper records—because Nixon did not want much on this issue put on paper—the tapes show the decision making process that led to the August 15, 1971 announcement and the aftermath in a way that no other study has to date. The tapes show Nixon's determination to act decisively, and in the midst of his major announcement of the opening to China on July 15, 1971, Nixon compared the impact that major economic reforms would have to that announcement. Nixon clung to the praise he received for the dramatic China announcement, and he wanted an encore performance with his economic announcement only a month later. Again like the China announcement, he wanted people to think that the situation had been under consideration for some time, when in fact, at least in terms of the time it occupied on the president's schedule before the summer of 1971, that was simply not the case. Most fascinatingly, the tapes show how the president felt his way into a policy area that was foreign to him, how he assembled a kitchen cabinet and then figured out how to get the rest of the his administration on board. The tapes also present Nixon at his stereotypical worst: his manipulation and haste to punish dissenters, such as Arthur Burns, who wanted to have influence in the process and not just tow the administration's line. They show how Nixon tried to manipulate other people into thinking that they participated in the process, and how clearly Nixon subordinated concerns about the international economy and American allies to the domestic economy and Nixon's own political interests. They also demonstrate the dramatic rise in influence of Henry Kissinger in the White House, even in areas

³²⁰ Jean Denizet, *Le Dollar: Histoire du Système Monétaire Internationale Depuis 1945* (Paris: Fayard, 1985), 109.

of policy distant from his expertise, following the China announcement on July 15, 1971, and Nixon's ordering him to the rescue in the Connally-led negotiation with the Europeans.

Finally, the tapes also show a chronology, a progression of intermediate steps that led to the August 15, 1971 announcement as well as how the White House reacted to the unanimous international opposition that followed. In April, Nixon realized he had a problem, that the American economy was losing its competitive footing. In June, he realized that the crisis could be a chance for sweeping reform. Throughout July, he concluded that the proposed solution to the diminishing gold reserves could also be used for domestic initiatives, as well as to later extract favors from American allies. By August, he realized that he had a chance to remove the U.S. from burden of being the pivot of the Bretton Woods system, and that doing so could help to prepare the economy for 1972 election. Most of all, he realized that such action could be blessed in the privacy of Camp David, while Congress was on August recess, in order to reduce the likelihood of leaks, speculation, and criticism. In September, talks with the Europeans commenced with John Connally, who was joined by Henry Kissinger in November. By December the summits with the Europeans originally designed to work out a new monetary agreement became instead opportunities to check in with European heads of state before Nixon went to China and the Soviet Union. In the end, the interim monetary agreement was settled quite abruptly at the Smithsonian, even though negotiations had previously dragged on all fall. The Smithsonian Agreement was doomed to fail, but Nixon neither understood nor cared. There much were bigger foreign policy issues on the horizon.

In conclusion, an enormous amount has been written about the subject of Bretton Woods. With the release and, finally, the transcription of the Nixon tapes, the actions that led to and determined the economic revolution of the summer and fall of 1971 once again appear fresh and

vivid, helping to break the stalemate and provide some explanation to the difficult economic questions of the Nixon era with which so many economic historians have wrestled for so long.

CHAPTER IV. THE YEAR OF EUROPE

Sipping on a bowl of consommé in the Oval Office, Assistant to the President for National Security Affairs Henry A. Kissinger recalled for President Richard Nixon his press conference that had ended a few moments before, on the morning of September 16, 1972. “They were hanging from the rafters”, he noted, when he announced that following the upcoming election, in 1973, “the European relationships had to be given a new vitality commensurate to the area, that no matter how much progress we make in our dealings with Moscow and Peking, that Europe is the cornerstone of our foreign policy.”³²¹ After all, during that fateful year of 1972, Nixon had taken his historic visit to China in February, signed the Strategic Arms Limitation Treaty (SALT I) in Moscow in May—the first visit of an American president to either adversary, and a ceasefire agreement in Vietnam was expected by the end of the year. Naturally then, after a period of negotiations with American adversaries, Nixon and Kissinger believed it was time to build up relations with American allies, a policy initiative that became known as the “Year of Europe”, which was intended to occupy the same importance in American foreign policy as China or the Soviet Union. Kissinger continued: “I gave a long philosophic disposition [of] how things have changed since the ‘60s; we’re now in an era of totally new diplomacy.” Nixon agreed, and noted that “all the sophisticates will know that it’s Goddamn important.”

No doubt, “things” had changed. Europe, and more specifically the European Community (EC), was on the rise both politically and economically, anticipating the first expansion of the supranational organization set up by the Treaty of Rome in 1957 to Denmark, Ireland, and the United Kingdom effective January 1, 1973. Moreover, reducing dependence on the United States, individual European states such as the Federal Republic of Germany had reversed traditional foreign policy toward the Soviet bloc by holding negotiations, a policy known as *Ostpolitik*, with

³²¹ Nixon Tapes, OVAL 780-15, September 16, 1972, 10:55 am – 12:50 pm.

the German Democratic Republic, Poland, and even the USSR itself. These German moves were inspired by American negotiations with the People's Republic of China and the Soviet Union, and further American initiatives with both countries were planned in Nixon's second presidential term. The Year of Europe was essentially an admission by the United States that the transatlantic partnership merited review. *Ostpolitik* had moved ahead, American relations with the Soviet Union and China had become more complex, the last troops were on their way out of Vietnam, and in Europe, 1973 would begin with the addition of Denmark, Ireland, and United Kingdom to the European Community.³²² Therefore, the year 1973 was intended to be time for pause and reflection, and was thus the right time for the United States to reappraise relations with its closest allies.

In fact, what Nixon had in mind was a new "Atlantic Charter", harkening back to the original transatlantic agreement signed in 1941 by President Franklin D. Roosevelt and Prime Minister Winston Churchill. The original Charter set forth an early vision of the postwar world, and involved broad cooperation on issues related to trade, economic and monetary policy, and a shared commitment to free the world of aggressors. In 1973, work was needed on all of these fronts: there were disputes between Europe and the United States being mediated by the General Agreement on Tariffs and Trade (GATT), there was need for stronger currency cooperation following the collapse of Bretton Woods in 1971, and there was a need to address the often serious shortfalls that NATO faced. For Nixon, having achieved the beginning phase of renegotiating Cold War tensions in his first presidential administration, Nixon believed any future initiatives carried out with adversaries were only as sound as America's relations with its allies. He knew the Atlantic Alliance would have to be redressed as a prerequisite for continuing

³²² Jussi M. Hanhimäki, "Kissinger et l'Europe: entre intégration et autonomie." *Relations Internationales* 119 (2004): 325.

such a far-reaching foreign policy agenda, and while Europe held the attention of the United States, it was an ideal time for heightened transatlantic dialogue.

However, the Year of Europe never happened as envisioned. Newly released American and European government documents, as well as the Nixon tapes, now show us why. After the launching of the initiative in September 1972 based on grand American ideals, it suffered fits and starts, countless delays, and constant interference by competing policy priorities on both sides of the Atlantic. It was torpedoed as early as January 1973, then revived in April, dead again in July, resuscitated again in the fall, and then as 1973 became 1974, what was left fell apart for good. The British government under Conservative Prime Minister Edward Heath flipped to a minority Labor government under Harold Wilson after what would be the first of two elections in one year. French Presidential Georges Pompidou died after secretly suffering for eighteen months from a rare bone cancer, and new elections were held, which resulted in the new presidency of Valéry Giscard d'Estaing. Finally, German Chancellor Willy Brandt, who had survived numerous brushes with the less savory side of rough-and-tumble politics, resigned following a spy scandal. Therefore, in the first half of 1974 President Nixon lost all of his key European collaborators, and being immersed himself in the ongoing and intensifying Watergate investigation, left the task of redressing relations with the European Community to his successor, Gerald Ford.

Perhaps the most disappointing tragedy of the Year of Europe was that Nixon failed to transform his first term threefold achievement of the renegotiation the American position in the world with respect to China, the Soviet Union, and Vietnam to also strengthen and renew ties with the European allies. Although the Vietnam War agitated public opinion at home and disenchanted allies abroad, the war showed Nixon's adversaries—China and the Soviet Union—what he was capable of if driven to extremes, and therefore provided Nixon with a superior

negotiating position. Meanwhile, Nixon was able to overcome the public opinion deficit at home by achieving breakthrough agreements with adversaries abroad. However, when the last GIs were withdrawn from Southeast Asia in early 1973, that removed Nixon's biggest negotiating chip to achieve future agreements with adversaries, thus only waning resentment from European allies remained. The Year of Europe was therefore an admirable and overdue approach to Europe, but it was ultimately fatally flawed in the year 1973 because of American management of relations with Europe up to that point between 1969 and 1972. Improvements in relations with both American adversaries and allies need not have been mutually exclusive, but in hindsight they were. With the opening of recently released government documents, the year 1973 in American foreign policy may still be remembered as the Year of Europe, but not for the reasons Nixon or Kissinger had intended.³²³

The Origins of the Year of Europe, Autumn 1972

From 1969 to 1972 the United States reordered its adversary relationships, brought about the creation of conditions that would make it possible for withdrawal from Vietnam, pursued an opening in lasting dialogue with China, and secured the first in a series of complex weapons agreements with the Soviet Union. Although these were great achievements in their own right, an overall assessment of first-term foreign policy achievements by President Nixon and his top advisers permits one to rationally conclude that the United States had placed a greater emphasis on achieving breakthroughs with adversaries than with allies. Allied relationships in the first term, specifically between the United States and the European Community, hardened and at times were adversarial in character, as trade, monetary and other problems converged, left unchecked and having lacked productive dialogue for a sustained period of time. The Departments of State and Defense, an able policy machine at Nixon's disposal for managing

³²³ James O. Goldsborough, "France, The European Crisis and the Alliance." *Foreign Affairs* 52 (April 1974): 538.

day-to-day affairs with Europe under William Rogers and Mel Laird, respectively, lost influence with the White House because of the overall shift in foreign policy focus to improving conditions with nations in which the existing foreign policy machinery was less effective. As a result, the greater use of the National Security Council (NSC) as the sole decision making forum meant that parts of the State and Defense Departments were privy to what was going on in the minds of Nixon and Kissinger but large parts of it were not.³²⁴ Finally, during the Nixon years even the “special relationship” between the United States and the United Kingdom sunk to the lowest point in its existence since World War II.

Initially at least, the sense of urgency beginning in mid-1972 for a high-level review of transatlantic relations drew support from European leaders as well as the Nixon administration.³²⁵ French Defense Minister Michel Debré met with Henry Kissinger on July 7, 1972, and stated his satisfaction at recent Franco-American cooperation. Kissinger assured Debré that if the Nixon administration remained in power after the November 1972 elections, that such cooperation would be continued and even expanded.³²⁶ Likewise, before any official announcement of the Year of Europe, Kissinger also told the British that as soon as the American and Federal German elections were over in the fall of 1972, the new administration in Washington would want to work with the Europeans on a host of important issues, including commercial and monetary relations, NATO policy, consultations leading up to SALT II with the Soviets, and a proposed European Security Conference.³²⁷ On the American side, President Nixon and Henry Kissinger had numerous discussions about how to conduct such a review

³²⁴ Alastair Buchan, “Europe and America: from Alliance to Coalition.” Paris: The Atlantic Institute for International Affairs, 1973, 9-10, 12-13.

³²⁵ William C. Cromwell, *The United States and the European Pillar: The Strained Alliance* (New York: St. Martin’s Press, 1992), 80.

³²⁶ Maurice Vaïsse, “Les ‘relations spéciales’ franco-américains au temps de Richard Nixon et Georges Pompidou.” *Relations Internationales* 119 (2004): 356-357.

³²⁷ British National Archives (PRO), FCO 82-198, “Visit By Dr. Henry Kissinger of United States to United Kingdom.”

throughout the fall of 1972. The first easily identifiable time in which such an idea was brought to the attention of the president was September 11, 1972, during a meeting between Nixon and Assistant to the President for Economic Affairs Peter Flanagan in which Flanagan recommended that in the course of furthering monetary and trade relations with Europe, that his recommendation was to review the overall state of relations with the allies.³²⁸ Nixon liked the idea, and emphasized that point to Kissinger during a one-on-one briefing just before the latter's press conference. After all, Nixon noted, "as we look back over the last year, this year has been a year of enormous change in the relations between great powers." Kissinger agreed, and stated that relations with Europe should be put "on a new basis [...] now we need a new framework."³²⁹ A few days later, in another meeting with his national security adviser, the president recalled a meeting he had had the day before with presidential biographer Theodore White in which Nixon recalled their earlier meeting at New York's Hotel Pierre, in December 1968. Then, as Nixon was planning for his first presidential term, the chronicler of Nixon's 1960 campaign had asked what the president's major foreign policy aims would be. Nixon responded that, generally speaking, the major initiatives of his administration would be related to Vietnam, the Soviet Union, the Middle East, China, and Europe.³³⁰ In hindsight, Europe had received arguably the least amount of attention at the highest levels of the Nixon administration. Kissinger noted this sensitive point to the president in a meeting on September 21, 1972. After the elections, "I think one of your first moves ought to be toward the Europeans," he said, and the goal of such contact should be "a new European Charter of some sort."³³¹

³²⁸ Nixon Tapes, OVAL 774-4, September 11, 1973, 9:59 am – 10:03 am.

³²⁹ Nixon Tapes, OVAL 780-7, September 16, 2007, 9:26 am – 10:20 am.

³³⁰ Nixon Tapes, OVAL 783-18, September 19, 1972, Unknown time between 12:22 pm and 12:46 pm. The earlier meeting with White was captured on OVAL 781-32/782-1, September 18, 1972, Unknown time between 4:31 pm and 5:30 pm.

³³¹ Nixon Tapes, OVAL 784-7, September 21, 1972, 10:15 am – 10:50 am.

Moreover, memoir accounts of both men confirm what was said in these meetings in the fall of 1972. Nixon noted that “as President, I sought to make 1973 the Year of Europe in order to focus the energies of my administration on resolving the problems which had had arisen from changing times.”³³² The justification that he noted for such an initiative was ultimately rooted in the Cold War struggle between the United States and the Soviet Union, that “it is vital that we strengthen, not weaken, the alliance. Europe is still the geopolitical target of the Kremlin.” Kissinger took a similar tone in his memoirs, that “with the end of the Vietnam War, Nixon and I thought the time had come to revitalize the Atlantic Alliance. On behalf of the President, I put forward an initiative.”³³³ And, after several reminders by Kissinger of the merits of such an initiative, the idea finally stuck with the president, who told French Ambassador to the United States Jacques Koscuisko-Morizet and former Foreign Minister Maurice Schumann during a conversation in the Oval Office that “in the next year, I want to devote more time to the European Community.” Not to be accused of overlooking the importance of America’s traditional allies, he added “the bedrock of everything is the European-American alliance.”³³⁴ Later that same day, the president also briefed British Foreign Secretary Alec Douglas-Home in the Oval Office. During the discussion, Nixon went into even more detail to the closest U.S. ally: “Once we get past the election [...] I think it’s very important [...] now that everybody is discovering China and moving with the Russians and the rest, I think it’s very important to establish a strong line of communication within the Alliance.” After the conversation turned to other topics, Nixon again returned to this theme before the meeting was concluded. He added, “once we get past the election, I would say quite early, after that maybe around the first of the

³³² Richard Nixon, *1999: Victory Without War* (New York: Simon and Schuster, 1988), 207.

³³³ Henry A. Kissinger, *Years of Renewal: The Concluding Volume of His Memoirs* (New York: Simon and Schuster, 1999), 600.

³³⁴ Nixon Tapes, OVAL 788-1, September 29, 1972, 9:45 am – 10:45 am.

year, or Christmas, depending on how it works out, I would like to devote some attention to that.” Douglas-Home replied, “we’ll be ready for you whenever you want to [...] there are very big questions [to discuss].”³³⁵ Finally, similar communications were made with West German Chancellor Willy Brandt, as Kissinger reported in a memorandum to President Nixon: “[t]he Chancellor...suggest[s] that after the elections here and in Germany (which are on November 19) he wishes to discuss with you the medium of long-term prospects for the U.S.-European relationship.”³³⁶

At the very moment that the British and other European nations were willing but waiting for the United States to take the initiative in the Year of Europe, the contours for the ultimate failure of the whole project can be identified, moments after its conception, in November 1972. The root problem was not the policy itself: the “Year of Europe” may have been an unfortunate sound bite for a commendable initiative, but there was no question that the transatlantic relationship required fresh assessment.³³⁷ Although the United States should not receive all of the blame for the Year of Europe, especially for aspects over which it had little control—such as the secret diagnosis in late 1972 that French President Georges Pompidou had a rare bone cancer, from which point his American-friendly policies lost influence—the Americans should shoulder the responsibility for the botched conception of their initiative that in great part contributed to the policy’s overall failure. At the pinnacle of the Nixon presidency, as the administration celebrated its landslide reelection in November 1972, one of the major factors that had led to this victory was the breakthrough foreign policy of the Nixon first term. These capstone achievements,

³³⁵ Nixon Tapes, OVAL 788-15, September 29, 1972, 4:04 pm – 5:15 pm.

³³⁶ Nixon Presidential Materials Project (NPMP), National Archives and Records Administration, Archives II, National Security Council (NSC), Box 754, “Presidential Correspondence 1969-1974”, “GERMANY Willy Brandt 1972”, memorandum from Henry Kissinger to President Nixon, “Brandt Letter to the President on EC Summit”, October 27, 1972.

³³⁷ Jussi Hanhimäki, *The Flawed Architect: Henry Kissinger and American Foreign Policy* (New York: Oxford University Press, 2004), 275.

including rapprochement with China, détente with the Soviet Union, and successful negotiations with the North Vietnamese, were conducted in secrecy—from the press, the State Department and other federal government agencies including often the U.S. Ambassador and Embassy of the country involved, the Congress, and even the closest American allies, which ensured their success. Under the close watch, and often direct participation of Henry Kissinger, the negotiations were a climate of asymmetric information in which American adversaries could never see the full range of possible outcomes acceptable to the Americans, yet the U.S., carrying on simultaneous compartmentalized negotiations with numerous adversaries each sworn to secrecy, always had more information than those unfortunate enough to be seated at the opposite end of the table. At this point in the Cold War, when America's enemies were not at peace with each other, Nixon and Kissinger took full advantage of a brief window of time during which they successfully renegotiated relationships with their enemies. This brilliant approach gave the U.S. a significant advantage during negotiations with adversaries, but when it was applied to allies, such as the Europeans, the outcome was mutual mistrust and failure. The Nixon/Kissinger negotiating strategy was successful only in cases where American adversaries were sufficiently divided among themselves. Individual European nations were divided over many issues, but not as much as, say, China and the Soviet Union were. In hindsight, it seems almost as though the Nixon/Kissinger foreign policy machinery became so effective at dealing with adversaries that it forgot how to deal with allies. In 1971, this divisive approach was used by then Secretary of the Treasury John Connally in the aftermath of the collapse of Bretton Woods in order to extract costly currency realignments with respect to the dollar, but transatlantic relations escaped permanent damage. When this approach was used again during the Year of Europe, the damage ended any remaining goodwill in transatlantic dialogue during Nixon's tenure, contributed to the

changes in the European governments in 1974, and left much of the work of improving transatlantic relations to the next generation of American and European leaders.

Back to 1972, after the reelection on November 7, Nixon sequestered himself away at Camp David for an intense second term planning session. Nixon and Kissinger did little to hide the fact that the United States was reevaluating Washington's traditional policy of strong support for European integration.³³⁸ This reevaluation was solidified in the form of National Security Study Memorandum (NSSM) 164, issued on November 18, 1972, in which Nixon "direct[ed] the preparation of a basic study of our relations with Europe, with particular focus on Western Europe."³³⁹ Likewise, European nations were also actively reevaluating their relationships both with each other and with the United States. According to the British expectations of the Year of Europe, President Nixon "would undertake some striking new initiative towards Europe, probably in the form of another tour of the European capitals", similar to the tour in which he took part in early 1969. The British were also assured that Europe would be the first item at the top of the U.S. foreign policy agenda in 1973, and that the British would be the first to whom the Americans would speak.³⁴⁰ However, for other Europeans, the idea that they would receive first billing after having been a much lower priority throughout Nixon's first term was met with some skepticism. Many Europeans simply did not trust Nixon or Kissinger. European mistrust in Nixon probably began with Nixon's decision to expand the Vietnam War to Cambodia in 1970, but also had roots in his mistrust of *Ostpolitik* and the August 1970 treaty with Moscow, and also his overly secretive negotiations with the Soviet Union.³⁴¹ Therefore, the grand pronouncement

³³⁸ Geir Lundestad, *'Empire' by Integration: The United States and European Integration, 1945-1997* (New York: Oxford University Press, 1998), 9.

³³⁹ NPMP, NSC Box 1027, "Presidential/HAK Memcons", NSSM 164, "United States Relations with Europe", November 18, 1972.

³⁴⁰ PREM 15-2089, "East-West relations: 'The Year of Europe': part 8", undated study by FCO Policy Planning Staff on Year of Europe.

³⁴¹ Helmut Schmidt. *Men and Powers: A Political Perspective* (New York: Random House, 1989), 150.

of a Year of Europe in Europe was mostly met with disbelief and scorn, or at best confusion.³⁴² Yet another theory was that Europe's new importance for the United States would last only as long as the U.S. needed to demonstrate Western solidarity at the next round of U.S.-Soviet negotiations, and a greater concern still was that Europe would always be subordinated to these more ambitious foreign policy agenda items, Year of Europe or not. There was even a more specific fear that the Americans may have actually reached a secret agreement with the USSR on defense matters of vital importance to NATO by the beginning of 1973 but that the United States was intentionally withholding information from the Europeans.³⁴³

Then, the American idea of “linkage”, so popular in negotiations with American adversaries, was also applied to transatlantic relations. Secretary of State William Rogers spoke to the NATO Atlantic Council on December 8, and noted that a cardinal principle of the United States policy towards Europe was that it was necessary to take a global approach towards the issues to be resolved between them. That same day, Robert Hormats of the National Security Council (NSC) told his opposites at the British Foreign and Commonwealth Office (FCO) that “as they [the U.S.] saw it, there were three elements in a single picture—the trade negotiations, the monetary negotiations and security—and the United States was looking for the means of dialogue across the board.” The British reacted in caution, as did other Europeans, while American intentions remained uncertain.³⁴⁴ Then, at the worst possible moment, the U.S. cancelled British Prime Minister Heath's mid-December visit to Washington with very little explanation other than that there were unexpected American difficulties in Vietnam that must be

³⁴² Marc Trachtenberg, ed. *Empire and Alliance: American and Europe During the Cold War* (Lanham, MD: Rowman & Littlefield Publishers, Inc., 2003), 127.

³⁴³ PREM 15-1279, “Deterioration in Confidence between U.S. and Europe in defense field”, memorandum from Minister of Defense Peter Carrington to Prime Minister Heath, November 29, 1972.

³⁴⁴ PREM 15-2089, undated study by FCO Policy Planning Staff on Year of Europe.

resolved before new initiatives were taken with Europe.³⁴⁵ According to the FCO briefing papers that would have been used for the visit, the British government had great concern over the deterioration in relations between the United States and Europe. On the one hand, “the Americans wish to establish the maximum linkage between all these various problems so as to exploit those issues on which their position is strong in order to obtain advantage in those issues where their position is weak”, but in Europe, specifically for the nine member nations of the European Community, “the Nine are agreed that there can be no globalization of international negotiations on trade, money, and defense, let alone on the other issues of interest to the Americans.” After all, on a most fundamental level, how could U.S.-European negotiations link economic and monetary matters with defense matters given the previous American handling of the collapse of Bretton Woods, not to mention the fact that France—perhaps the most important European nation in terms of progress on economic and monetary affairs—was not a part of NATO? American thinking did not seem to reflect these basic differences. However, “the Nine would probably be willing to concede, provided this could be done without detriment to their interests and objectives...in order to satisfy President Nixon, to preserve harmonious relations with the United States and to assist the Administration in countering the movement of American public opinion in directions detrimental to European interests.”³⁴⁶

Next, on December 18, President Nixon ordered the resumption of massive bombing in Vietnam after the previous election pause, hoping to force a final ceasefire agreement on the North Vietnamese, a decision that caught Europeans by surprise and was criticized by a number of governments, in particular the Germans. From the Soviet perspective, Nixon appeared to have

³⁴⁵ FCO 30-1744, “Meeting of Edward Heath, UK Prime Minister, with Richard Nixon, US President, at Washington, 1-2 February 1973”, memorandum from Robert Armstrong, Downing Street to Antony Acland, FCO, December 12, 1972.

³⁴⁶ PREM 15-2089, undated briefing paper, “The Identity of the Nine vis-à-vis the United States.”

lost his composure in an area where it had been assumed final American withdrawal had already been settled, at least according to the public statements by Nixon and Kissinger since the earlier fall of 1972. Taking advantage of the situation to open a wider rift between the United States and Europe, on December 21, 1972, Soviet Communist Party General Secretary Leonid Brezhnev said it was possible “to discover the elements of certain forms of relationship between the Common Market and [the] Comecon [Council for Mutual Economic Assistance]”, the communist counterpart to the European Community.³⁴⁷ No doubt this public announcement added significant frustration to an already difficult month for Richard Nixon and Henry Kissinger.

“Peace with Honor” in Vietnam, January 1973

After a disappointing end to the previous year, 1973 was a year that started full of promise and opportunity in the realm of transatlantic relations. The resumption of bombing in Vietnam was being declared a success by the American administration, the German government under Willy Brandt was retained with a strong majority, the French and British governments appeared to be stable, and the European Community was both enlarged and committed to take firm steps towards initiatives such as monetary union.³⁴⁸ Disappointingly, however, in the almost three months since President Nixon had promised to make Europe a centerpiece of his 1973 foreign policy, he had demonstrated little interest in advancing the idea.³⁴⁹ At the very moment that Europeans were quiet with anticipation as to Nixon’s intentions toward Europe, on January 11, 1973, White House spokesman Ron Ziegler, when asked during a press briefing whether the failure to reach a Vietnam settlement as planned had led to the suspension of the Nixon’s plans for visiting Europe, said that the president had no such plans.

³⁴⁷ *Myth and Reality: A Reference Manual on US-European Community Relations*, 4th Ed. (Washington, DC: European Community Information Service, 1974), 58.

³⁴⁸ Buchan, 3.

³⁴⁹ Robert Dallek. *Nixon and Kissinger: Partners in Power* (New York: HarperCollins, 2007), 473.

The British were especially taken aback by such a change in American policy. Having joined the European Community as of January 1, 1973 as well as having had the December 1972 visit of Prime Minister Heath cancelled, British foreign policy received a setback at a moment when it otherwise had every occasion to be triumphant. Successive British governments had tried to gain admission to the European Community for nearly a decade, and now that that had finally been successful in drawing Britain closer to the European orbit, the British Government also made it priority to demonstrate continued strong ties to traditional allies outside of Europe, such as the United States, but the British were rebuffed.³⁵⁰ On the American side, as long as there was work to be done on Vietnam, or China, or the Soviet Union, there did not seem to be enough time for Europe. This oversight of European matters was brought to the attention of Secretary of State William Rogers by none other than Jean Monnet. Widely known as the “founding father” of the European Community, Monnet expressed his concern over the deterioration in U.S.-European relations, especially with regard to economic matters. Rogers wrote President Nixon directly on the matter, on January 22, 1973, and the letter was intercepted by Henry Kissinger’s staff before it got to the president. In the midst of Vietnam-related work, they informed Kissinger of the letter from Rogers on January 26, but Kissinger did not authorize transmission of Roger’s concerns to Nixon until a month later on February 22, 1973!³⁵¹ In a year denoted as “the Year of Europe”, Europe’s true importance to American policy makers can be measured somewhat by how long it took this worry-laden communication from the secretary of state to reach the president.

³⁵⁰ Grosser, Alfred. *The Western Alliance: European-American Relations Since 1945*. New York: Continuum, 1980, 267.

³⁵¹ NPMP, NSC Box 322, “European Common Market Vol I 1969-1970 to EC Vol IV Aug 73”, memorandum from William Rogers to President Nixon, Subject: “Monnet Proposal on U.S.-Western European Dialogue”, January 22, 1973.

There was no question that Henry Kissinger was busy tending to more important matters. On January 23, 1973, he initialed the Vietnam ceasefire text entitled “Agreement on Ending the War and Restoring the Peace in Vietnam”, and President Nixon announced on nationwide television that “peace with honor” had finally been attained. American troops were to be withdrawn and prisoners of war returned within sixty days, an act that Kissinger would earn the Nobel Peace Prize for later in the year.³⁵² However, in terms of U.S.-European relations, it was clearly disappointing that the Year of Europe could not have somehow gone forward without the direct personal involvement of Henry Kissinger. The State Department had no significant role in drafting the Vietnam ceasefire. Could it have been trusted to do something with Europe over the previous three months between November 1972 and January 1973 that may have prevented so much European resentment from having been built up against the U.S.? This does not appear to be an option that Nixon and Kissinger considered, but now that Vietnam was off the front burner, new strategies were considered with respect to the Europe.

During a National Security Council Senior Review Group (SRG) Meeting on January 31, 1973 to discuss progress being made on the earlier NSSM 164, “U.S. Relations with Western Europe”, Kissinger staff member Helmut Sonnenfeldt laid out the basic alternatives with regard to future talks with Europe:

- (a) Scale down our maximum program of economic objectives as required to preserve a long-term political-strategic relationship, but define an irreducible minimum of economic concessions that we must achieve in order to generate sufficient domestic support to preserve that relationship.
- (b) Pursue our maximum economic program, envisaging only minimal U.S. concessions, and keeping the Europeans on notice that if we fail to attain near to our maximum, we will find it difficult to maintain an undiminished political-strategic relationship along current lines.
- (c) Make no explicit or implicit strategic linkage between what the Europeans do on economic issues or what we will do on long term political/security relations (except to define an irreducible minimum necessary to

³⁵² John J. Maresca. *To Helsinki: The Conference on Security and Cooperation in Europe, 1973-1975* (Durham: Duke University Press, 1987), 31-32.

preserve the present political-security relationship). Pursue our economic objectives for maximum results, but settle for less as each issue may dictate.³⁵³

This discussion by the SRG was also partly in response to discussions held between NSC staff member Robert Hormats and the FCO in London during mid-December. In a memorandum to Henry Kissinger, Hormats made some interesting observations that would have to be taken into account in future U.S.-European talks. The major problem with the American policy of linkage with respect to transatlantic relations, he noted, was that “Europe is organized differently to deal with different problems. It speaks with one voice on trade and is endeavoring to do so on monetary policy. On political and security problems it speaks with nine voices but is coordinating actions to an increasingly greater degree.” Disappointingly, Hormats summarized the result of his talks in London: “there was no consensus at all on means of improving the consultative dialogue...Europe is in a period of change and uncertainty...it fears that we will attempt (à la Connally) to extract non-reciprocal economic concessions and play one country off against another.”³⁵⁴

Meanwhile, President Nixon tried to clarify American policy toward Europe during a press conference held on February 1, 1973. He stated: “we must now turn to the problem of Europe. We have been to the People’s Republic of China. We have been to the Soviet Union. We have been paying attention to the problems of Europe, but those problems will be put on the front burner.”³⁵⁵ It was certainly admirable that the problems of Europe were being considered at the highest level in the White House, but nothing was said during this press conference that had not been said numerous times before the elections in the fall of 1972. During the press conference,

³⁵³ NPMP, NSC Box 1027, memorandum from Helmut Sonnenfeldt to Henry Kissinger, “SRG Meeting, January 31, 1973, NSSM 164: U.S. Relations with Western Europe”, January 30, 1973.

³⁵⁴ NPMP, NSC Box 322, memorandum from Robert Hormats to Henry Kissinger, “Report on My Discussions in Europe and Recommended Strategy for Dealing with Economic Issues”, December 18, 1972.

³⁵⁵ William R. Kintner and Richard B. Foster. *National Strategy in a Decade of Change: An Emerging U.S. Policy* (Lexington, Massachusetts: D.C. Heath and Company, 1973), 198.

Nixon used very cautious language regarding making any solid commitments to visit Europe during 1973, even though that idea had already been previously discussed as almost certain with all of the major European allies. Nixon noted, "I will not be making any trips to Europe certainly in the first half of this year. Whether I can make any trips later on remains to be seen."³⁵⁶ Surely, this must have felt like yet another setback for the Europeans. The British were given advance warning that Nixon would make such an announcement, during an earlier meeting between Henry Kissinger and British Ambassador to Washington Sir Burke Trend, although it hardly could have softened the blow. During the earlier meeting, Kissinger had indicated that "the President's tour of Europe was in jeopardy because the President was 'coldly furious' with all of the European Governments (apart from Her Majesty's Government) for their statements about Vietnam. The President might abandon his tour entirely or make it later in the year."³⁵⁷ With that, the American government had made it clear that if the Year of Europe failed, it would not be the fault of the Americans.

Then, although Nixon had no pending travel plans to Europe, he did allow Prime Minister Heath to reschedule his visit to Washington for February 1-2, 1973, which was the first visit of any European leader to Washington since Nixon's 1972 reelection. With the extra six weeks of preparation since Heath's originally planned visit the previous December, the revised FCO briefing books teemed with observations about possible American courses of action with respect to the Year of Europe. The British Embassy in Washington warned that although Vietnam was out of the way, hopefully for good, that did not mean that President Nixon had any lack of other distractions that may keep him from European problems during 1973. In particular, he had a series of difficult trade bills scheduled to be under consideration in the Congress during the first

³⁵⁶ *Nixon: The Fifth Year of His Presidency* (Washington, D.C.: Congressional Quarterly, Inc., 1974), 151.

³⁵⁷ PREM 15-2089, undated study by FCO Policy Planning Staff on Year of Europe.

half of the year. In order to refocus Nixon's attention on Europe, Heath was advised that "one of the best ways of making an impression upon the President might be to appeal to his desire to be remembered in history as a great President."³⁵⁸ Nixon, an avid admirer of Winston Churchill and someone naturally responsive to such a suggestion, suggested to Heath that "we must try to recreate the wartime habit of getting together for really intimate and deep discussions in a relaxed atmosphere—discussions which should range over the whole field of problems, political, military and economic." However, this statement did not reflect an appreciation for the new position of the United Kingdom in Europe, that as members of the European Community, the British Government was expected to be a proper European citizen, and other European countries had made it clear that they resented the "special relationship" between the United Kingdom and the United States. Nixon seemed to take no notice, despite that it is clear that advisers such as Rogers, Hormats, and even Kissinger himself had begun to come to terms over the previous month with the fact that dealing with an enlarged European Community that now included the United Kingdom required new strategies. Nixon suggested to Heath that both nations should "do some really hard thinking together—without necessarily telling the rest of the Alliance at any particular stage but keeping privately in step and moving publicly, if not together, at least in parallel."³⁵⁹ Nixon also did not raise the subject of a visit to Europe again until two months later, on April 15, 1973. In the mean time he privately indicated that in fact he had no desire to visit Europe and deal with the Europeans as a unit, in the forum of the European Community, where the United States would be outnumbered and without a vote. Finally, when the Jean Monnet memo from Secretary of State Rogers finally arrived on Nixon's desk on February 21, Nixon's

³⁵⁸ FCO 30-1744, telegram from United Kingdom Representative to Brussels Michael Palliser to FCO, February 5, 1973, 051830Z.

³⁵⁹ PREM 15-2089, undated study by FCO Policy Planning Staff on Year of Europe.

notations on the covering memorandum from Henry Kissinger indicate that Nixon doubted whether continuing negotiations with Europe were even in U.S. interests at all.³⁶⁰

Re-launch of the Year of Europe, April 1973

After another pause, the Year of Europe initiative was resurrected again in April. On April 23, 1973, Henry Kissinger gave a major foreign policy speech in New York that called for the creation of a new Atlantic Charter rooted in greater Atlantic cohesion, which would be followed by a visit to Europe by President Nixon in the fall of 1973.³⁶¹ The timing of the address to the editors of the Associated Press was not accidental. The need to resume discussions with Europe on economic matters was becoming acute, as foreshadowed by Nixon's speech on energy policy a few days before, on April 18. As prescient as the previous speech was, given the energy crisis that began a few months later, it did not do enough to force real U.S.-European dialogue.³⁶² Moreover, in some ways, Kissinger's address did more harm than good, and in hindsight it should have been done differently, and should have been delivered by President Nixon. The Europeans basically ignored the U.S. call that trade, money and defense should be seen in a common perspective. The EC insisted that before it could even begin to negotiate with the Americans on trade or money they had to work out a common European position.³⁶³ To Nixon's satisfaction, influential journalist James Reston—certainly no great friend of the administration—immediately compared Kissinger's speech to Secretary of State George C. Marshall's Marshall Plan address of 1947.³⁶⁴ But the response in Europe to Kissinger's speech was very different.

³⁶⁰ NPMP, NSC Box 322, memorandum from Henry Kissinger to President Nixon, Subject: "Jean Monnet's Ideas on U.S.-West European Relations", February 21, 1973.

³⁶¹ Gérard Bossuat. "Jean Monnet et le partenariat atlantique des années soixante." *Relations Internationales* 119 (2004): 296.

³⁶² Franz Schurmann. *The Foreign Politics of Richard Nixon: The Grand Design* (Berkeley: Institute of International Studies, 1987), 314.

³⁶³ Henri Simonet. "Energy and the Future of Europe." *Foreign Affairs* 53 (1975): 450.

³⁶⁴ Dallek, 474.

In fact, the speech was received very coolly by every European capital except London, and even there, there were major reservations.³⁶⁵ That coolness became downright icy as Europeans fumed into the summer of 1973 during a meeting of the EC Foreign Ministers in Copenhagen in July.³⁶⁶ Europeans claimed that the content of Kissinger's speech was a complete surprise to them, that they were not consulted on the specifics in advance, and that to be treated in such a way was to be "treated like a non-person" and "humiliated."³⁶⁷ Even more, some Europeans, including the French, called the speech "another Yalta", referring to the war-time agreement with the Soviet Union made without the full consent of the Europeans, which to some seemed to be an especially timely comparison considering the ongoing American arms negotiations with the USSR.³⁶⁸ Finally, even American scholars have considered the speech "unnecessarily crude" in that Kissinger's speech referred to the "world responsibilities" of the United States, as compared to the "regional responsibilities" of Europe.³⁶⁹

Kissinger's memoirs also record his reaction to the European criticism of his speech. Although he concedes that "naming it the 'Year of Europe' was perhaps too grandiloquent but, in retrospect, I would not alter the analysis with which, in a speech in New York on April 23, 1973, I defined its objectives, many of which remain to be fulfilled."³⁷⁰ Nixon's memoirs make no attempt to defend Kissinger's speech, but Kissinger struck at the heart of the real reason for the overall failure of the Year of Europe:

The Year of Europe initiative immediately ran up against the reality that, in the early 1970s, our European allies were far more preoccupied with European integration than with Atlantic cohesion. And Europe—especially the old established nations such as Britain and France—found the transition to supranationalism traumatic. The more

³⁶⁵ PREM 15-2089, undated study by FCO Policy Planning Staff on Year of Europe.

³⁶⁶ Buchan, 3-4.

³⁶⁷ Goldsborough, 538.

³⁶⁸ Michel Jobert. *L'Autre Regard* (Paris: Bernard Grasset, 1976), 289.

³⁶⁹ Hanhimäki, *The Flawed Architect*, 275-276.

³⁷⁰ Kissinger, *Years of Renewal*, 600.

complicated the process of European integration became, the less its supporters were willing to brook any interruption or dilution of it by American schemes promoting broader Atlantic cooperation, however well intentioned. In this context, our initiative for enhanced consultations between the European Community and the United States came to be viewed—mostly in France, but not only there—as an American stratagem to thwart the reemergence of a specifically European identity and institutions.³⁷¹

It is also worth considering the criticism of individual European nations when placed side-by-side Kissinger's recollections. First, although the United States was still committed to the "special relationship" between itself and the United Kingdom, American policymakers seriously underestimated the extent to which Prime Minister Heath was committed to the European Community, more so than any of his predecessors at 10 Downing Street.³⁷² The irony here, of course, is that Nixon's Republican Party and Heath's Conservative Party had long been ideological partners, and Nixon had rejoiced when Wilson's Labor Party was defeated in the general election of 1970, which brought Heath to power. Yet, once in office, Heath proved very difficult to work with, at least for the Nixon White House. In his memoirs, Kissinger noted that with Heath, "charm would alternate with icy aloofness, and the change in his moods could be perilously unpredictable. After talking with Heath, Nixon always felt somehow rejected and came to consider the Prime Minister's attitude toward him as verging on condescension." One theory is that Heath and Nixon were too alike to be close partners. Both men had policy views that differed from their respective back bench members—Heath on Europe, Nixon on domestic policy and improving relations with communist nations, and both men came from unconventional backgrounds—Heath with a distant lack of family affluence and prestige for a Tory leader, and Nixon from a largely apolitical family with very lean financial means. Moreover, in the several conversations they had with each other that have been preserved by the Nixon taping system, there was a distinct lack of warmth. Whether or not their differences can be

³⁷¹ Ibid.

³⁷² Lundestad, 103.

attributed to their upbringing and backgrounds, “Heath’s passionate Eurocentrism was bound to produce a certain amount of coolness in someone like Nixon whose political maturation had coincided with the growth of the Atlantic Alliance.”³⁷³ Heath had chosen to take the United Kingdom into the European Community once and for all, an act that was so much at odds with his own party and populace that the Labor government that succeeded him in 1974 maintained as a pillar of its electoral platform to reevaluate the place of the United Kingdom in the EC, with the real possibility of pulling out! So why, then, was Heath such a promoter of Britain in Europe? Heath, being more a nationalist than a conservative in some ways, like Nixon in fact, was determined not to give France any further cause to accuse Britain of being subordinate to the United States. Kissinger commented, “he was the only British leader I encountered who not only failed to cultivate the ‘special relationship’ with the United States but actively sought to downgrade it and to give Europe pride of place of British policy. All of this made for an unprecedented period of strain in Anglo-American relations.”

With France, relations had started out well enough with both Charles de Gaulle and his successor, Georges Pompidou. Both Kissinger and Nixon, as students of history, sympathized with de Gaulle’s quest for an autonomous voice in foreign policy as well as within Europe. Even better, Pompidou was considered less aloof than de Gaulle, and Pompidou’s expertise in economic and monetary affairs was especially well suited to his tenure in office. However, and admittedly the details are still unclear, his diagnosis with cancer late 1972 ended a long struggle between his moderating influence and the strict Gaullists he inherited from de Gaulle and who ran foreign policy at the Quai d’Orsay. The problem was mutual exclusivity: the Nixon administration had no problem and in fact was sympathetic with the rigid Gaullist policy makers, including Michel Debré at Defense, Maurice Schumann at the Quai d’Orsay, and Jacques

³⁷³ Kissinger, *Years of Renewal*, 602-603.

Chaban-Delmas at the Hôtel Matignon, but these policymakers had traditionally been the most hostile to the admission of the United Kingdom into the European Community. Once Britain had made up its mind on admission into the EC, and by assumption that meant a gradual drift away from the United States, the new French cabinet members at these posts were designed to work well with the UK but not necessarily so with the United States.³⁷⁴ There is a real chance that these Anglo-Saxon friendly ministers were rotated in as a result of a secret Franco-British deal. These new cabinet members, including Robert Galley at Defense, Michel Jobert at Foreign Affairs (to whom Pompidou referred as “mon Kissinger à moi”), and Pierre Messmer as premier marked a recognition that the reforms of, and literally the man himself in Georges Pompidou was on the decline, and that called for a new impetus in French foreign policy.³⁷⁵ Therefore, had the United States acted more swiftly in implementing the Year of Europe beginning in 1972, the outcome may have been different, but by the spring of 1973, the chance for successfully reaching out to France had become much more dim.

The greatest European criticism of the United States following Henry Kissinger’s April speech was that the European governments were not consulted on it in advance, but that simply was not true. They may have not been consulted as much as they would have liked, however there was a flurry of diplomatic activity that led up to the speech, as well as its aftermath. Almost immediately after President Nixon’s February 1 press conference that followed the Vietnam ceasefire announcement at the beginning of the year, Nixon and Kissinger participated in meetings with nearly all American diplomatic and military representatives in Europe, as well as numerous European ambassadors to the United States and representatives of various European governments. In the Oval Office on February 15, Nixon instructed Supreme Allied Commander,

³⁷⁴ Buchan, 6.

³⁷⁵ Goldsborough, 545.

Europe, Andrew Goodpaster that “the Year of Europe becomes very important in both the economic context, which was brought on by the recent monetary situation, and also in terms of the national security context, because of the fact that MBFR [Mutual and Balanced Force Reductions] will be a subject of our agenda this year, not only first with our European allies, but also with the Soviet Union, and also because of the European Security Conference.”³⁷⁶ Nixon was also sure to shore up support among his cabinet. The following day, he defended the Year of Europe during a cabinet meeting in which he warned that “if the U.S. turns inward, the world will be a mess, because the Soviets and Chinese will turn outward.”³⁷⁷ Again, it is clear that Nixon saw the importance of Europe primarily in terms of the greater struggle of the Cold War against the Soviet Union and China. As long as the transatlantic relationship appeared to adversaries to be in good working order, Nixon could maintain a stronger negotiating posture.

Henry Kissinger also had a thorough discussion with British senior FCO official Sir Thomas Brimelow, on March 5. Kissinger tried to end speculation over American intentions with the Year of Europe by noting that President Nixon, who was in his second term, could afford to be unconventional, and that although he had no clear idea what should be done, he was eager “to do the right thing.” Brimelow again explained the difficulty of finding a solution that was fully acceptable to all the European members of both NATO and the European Community, but Kissinger and Brimelow agreed to give the problem further study over the next month, and share the results of their studies with each other before sharing them with other allies. Brimelow, keeping to his word, commissioned an extensive FCO study entitled “The Next Ten Years in East/West and Transatlantic Relations” and the result was handed to Kissinger on April 16. The

³⁷⁶ Gerald R. Ford Presidential Library (GRF), Henry A. Kissinger (HAK) Memoranda of Conversation (Memcons), Box 1, memorandum of conversation between President Nixon and Andrew Goodpaster, Oval Office, February 15, 1973.

³⁷⁷ GRF, HAK Memcons, Box 1, memorandum of conversation, Cabinet meeting, Cabinet Room, February 16, 1973.

British study was far ranging, and considered many factors, including economic, monetary, and military relations, and involved over two thousand pages of research and collaboration of various reports from every area of the British Government involved.³⁷⁸

Brimelow met again with Kissinger on April 19, along with British Ambassador Burke Trend, to discuss the British study. However, there was little discussion of substance, and Kissinger offered no equivalent American study. In fact, Kissinger dismissed the British study as “mildly fatalistic,” and instead shifted his concern over the lack of progress in the Year of Europe to wanting to emphasize the need for visible high-level transatlantic talks in order to calm the recent isolationist tenor in the Congress. The American government made it clear that Nixon still planned to visit Europe in the fall in order to demonstrate transatlantic progress, but the visit would be planned to coincide with the time the Congress resumed consideration on the latest and presumably most potent reincarnation of the Mansfield Amendment—designed to withdraw a majority of American troops from Europe. This was significant, because it demonstrated a shift in American thinking from the previous two months, from Nixon desiring to make Europe a centerpiece of his second term as an act of statesmanship, to the Year of Europe becoming a defensive maneuver designed to stave off isolationism in the Congress. Kissinger noted that he planned to give a speech on April 23 to begin that process, and that he planned to have similar discussions with the French and Germans. Of note, perhaps a contributing factor to Kissinger’s newfound sense of urgency in combating the Congress was that two days prior, April 17, was the deadline by which the Nixon administration was required to provide Watergate-related evidence to the Senate Investigating Committee.

Although Kissinger had told the British that he would also consult with the French and the Germans following talks with the British government, in fact he had been consulting the

³⁷⁸ PREM 15-2089, undated study by FCO Policy Planning Staff on Year of Europe.

other Europeans all along, which made a multilateral sharing of information out of what the British had assumed had been privileged and strictly bilateral. On March 9, Nixon had met with U.S. Ambassador to France John Irwin, and explained the Year of Europe. “Having made a breakthrough with the Chinese and the Soviet Union, we want to focus on Europe”, he said. Interestingly, although Kissinger had been telling the Europeans that Nixon had plans for a fall visit to Europe, Nixon noted to Irwin that “I have no plans for a visit now...please indicate that I wish to come, but I must stick around—Congress, the Soviet summit.”³⁷⁹ In other words, Europe was a priority, but the Congress and the coming Soviet Summit in Washington were more important. A few days later, Nixon had even greater doubts about transatlantic relations, which he expressed to John J. McCloy in the Oval Office. McCloy was legendary in Europe, for his past service as U.S. High Commissioner for Germany, in which he was responsible for the rebuilding of the de-Nazified state following World War II. During the Nixon administration, both the president and Henry Kissinger consulted McCloy as an expert on European affairs on many occasions. They had even unsuccessfully compelled McCloy at more than one point to take up a diplomatic post in Europe, most recently the ambassadorship to NATO. When he refused, Nixon political rival Donald Rumsfeld was appointed. However, on March 13, 1973, Nixon and McCloy came to agreement on one thing: from an American point of view, European unity was no longer desirable.³⁸⁰ Reversing decades of American policy towards Europe, of course, this point of view could never be shared with the Europeans.

Then, only a matter of weeks after the reshuffling of the French foreign policy machinery, French Ambassador to Washington Jacques Kosciusko-Morizet indicated to Henry Kissinger on

³⁷⁹ GRF, HAK Memcons, Box 1, memorandum of conversation between President Nixon and John Irwin, Oval Office, March 9, 1973.

³⁸⁰ NPMP, NSC Box 1025, “Presidential/HAK Memcons”, memorandum of conversation between President Nixon and John J. McCloy, Oval Office, March 13, 1973.

April 13 in the Map Room of the White House that in fact there was a rift opening between declining President George Pompidou, and his new chief of the Quai d'Orsay, Michel Jobert. Kissinger, addressing the latest French concern that the Year of Europe would be a "second Yalta" negotiated between the United States and Soviet Union without European, specifically French, consent, said "I know that even your President [Pompidou] thinks that maybe some sort of condominium between the U.S. and the USSR could emerge." The French Ambassador retorted, "no, the President does not think that. Jobert, yes, [says] it is true."³⁸¹ At the end of the meeting, Kissinger also said specifically that he was planning to give a speech on April 23 that would "invoke a response" from Europe. On that same day, Kissinger briefed NATO Secretary General Joseph Luns while Ambassador to NATO Donald Rumsfeld also listened in. Kissinger summarized the current American position on the Year of Europe: "We are most prepared to have serious discussions with the Europeans. What I would like to tell you as an old personal friend—the Europeans can no longer behave like spoiled children. For the Europeans to attack the President [on Vietnam] is nonsense, total nonsense."³⁸² After Luns replied with "I agree...you have shown great restraint," Kissinger concluded, "Europe nearly destroyed the alliance; what was an affair of the heart is now an affair of the head."

Following Kissinger's speech of April 23, high level discussions also took place with the German government, which under Chancellor Willy Brandt was revitalized since its successful reelection in the fall of 1972. In preparation for a Nixon-Brandt meeting, Kissinger stressed the American position on the Year of Europe in the briefing papers: "Your primary objective at this meeting is to win Brandt's public support for a fresh, creative effort to revitalize the Atlantic

³⁸¹ NPMP, NSC Box 56, Henry A. Kissinger Office Files, Country Files-Europe, memorandum of conversation between Henry Kissinger and Jacques Kosciusko-Morizet, the Map Room, April 13, 1973.

³⁸² NPMP, NSC Box 1027, memorandum of conversation between Henry Kissinger, Donald Rumsfeld, and Joseph Luns, Kissinger's Office, April 13, 1973.

partnership.”³⁸³ Although Brandt’s visit to Washington was brief, the discussions with the Germans continued through the month of May. On May 12, Kissinger met with German Ambassador to Washington Berndt von Staden and attempted to put the Year of Europe in perspective: “We have three and one half more years in this Administration. We want to have successes in foreign policy that are not always dealing with our adversaries.” Von Staden, however, used the meeting to address a criticism of Europe in Kissinger’s April 23 speech, that the United States had global responsibilities but that Europe had mere regional responsibilities: “It is true that we are not yet in a position in Europe to act with the same global responsibilities as a great power could. But we do have global interests.” Kissinger chose not to address any perceived shortcomings in his speech: “Europe has two options; they can engage us in an endless guerilla war about particulars on my speech, and given skill in the Foreign Office that will be easy and successful. That is one approach. In that case we will pursue our own interests. The second is at the fundamentals, to see if we can start a new positive relationship that takes into account the new international situation and that gives both sides of the Atlantic a stake in the relationship. That is our basic intention.”³⁸⁴ If indeed Kissinger’s intention with his address of April 23 was to “invoke a response” from the Europeans, indeed he got one, even if it was not quite what he had hoped for. Following these consultations between the United States and France, Germany, and the United Kingdom in the spring of 1973, the European Community invested considerable time over the summer moving toward a Community-wide response to the Year of Europe.

European Deliberations, Summer 1973

³⁸³ NPMP, NSC Box 918, VIP Visits, “West Germany’s Willy Brandt Visit to US May 1 and 2 (1973)”, memorandum from Henry Kissinger to President Nixon, “Meeting with Chancellor Willy Brandt”, May 1, 1973.

³⁸⁴ NPMP, NSC Box 61, Henry A. Kissinger Office Files, Country Files-Europe, memorandum of conversation between Henry Kissinger and Berndt Von Staden, Kissinger’s Office, May 12, 1973.

The overarching difficulty for the Europeans in coming up with a common position in response to the Year of Europe was that while the European Community presented itself as the only legitimate forum for transatlantic dialogue, individual member states knew there were possibly significant advantages to be had in quietly talking to the American on a bilateral basis. For the European governments, the summer began in earnest as each met to formulate their own national position on the Year of Europe, before the European Community Foreign Ministers were expected to meet several times later in the summer to draft the overall European Community position. The French, for one, still retained hesitancy leftover from the de Gaulle era over negotiating within “blocs”, and instead chose bilateral discussions with the United States to the irritation of other EC members. This marked a near role reversal for France with Britain, as the latter chose to invest considerable time in Europe to show it could be a proper European partner.

On May 17, Kissinger struck back at newly appointed French foreign minister Michel Jobert for his attacks on Kissinger’s speech of April 23. Kissinger argued for the fundamental need for the Year of Europe: “In our view the Atlantic relationship has for the last ten years been living off the capital of the 40’s and 50’s, and as a result there has been no new moral or political impetus. There will be a new generation of leaders that won’t have the same commitment to the Atlantic relationship.” Kissinger made his case much more eloquently in this conversation than he did in his April speech. Here, he also added that if action was not taken soon while there was still flexibility in American foreign policy, the Congress would soon create so many restrictions on the Nixon administration that there will no longer be any freedom of movement. Kissinger continued, “if we miss the opportunity...Congress will undo it...foreign policy will shift to measuring success only by adversaries. And it can’t be a mistake to try to give content to

relations among friends.” Jobert followed Kissinger’s line of thinking closely, detecting the sense of urgency in his voice. “If you permit me a personal reproach,” Jobert noted, “this did not come through in your New York speech. You are more convincing here than in your speech.”

Kissinger conceded, “I agree. There were certain technical mistakes. I could probably have prepared it better. We had our own preoccupations in America. This somewhat inhibited the amount of time that was available.”³⁸⁵

Kissinger continued these discussions the following day, with French President Georges Pompidou. Surprisingly, Pompidou admitted that he actually did not differ with the content of Kissinger’s April speech, unlike the rest of European public opinion. Pompidou noted, “When you speak, in your speech, of the regional position of Europe, I am not particularly shocked by what you say. In this sense I am not entirely in agreement with everyone else.” Pompidou also used the occasion to firm up a long-standing de Gaulle policy: “Our position is that of strict United States-French bilateralism. We will not budge from this and we do not wish to include the United Kingdom in this business.” Kissinger, knowing that having agreement with the French was probably the most important prerequisite for a successful Year of Europe, appealed to French leadership: “We do not believe that Germany is sufficiently strong psychologically, and we believe it is too open to Soviet pressures to be able to contribute to develop a Europe in this sense.”³⁸⁶

Meanwhile, at home, Nixon continued to shore up domestic support for the Year of Europe, while he prepared for a major summit with President Pompidou scheduled for the following week, in Iceland. During a Cabinet meeting on May 25, Kissinger summarized the

³⁸⁵ NPMP, NSC Box 56, memorandum of conversation between Henry Kissinger and Michel Jobert, Quai d’Orsay, May 17, 1973.

³⁸⁶ *Ibid.*, memorandum of conversation between Henry Kissinger and Georges Pompidou, Elysée Palace, May 18, 1973.

current American position on the Year of Europe, hoping to arrest a growing isolationist sentiment in Washington. “The reason the President decided a new American initiative as necessary was our belief that the pattern of relationship set in the 40’s and 50’s no longer fits current realities,” the national security adviser argued. “With Vietnam and the Soviet and Chinese summits behind us, it was time to address these European issues. Therefore I made a speech in New York in April...Pompidou is the key to getting Europe on board.”³⁸⁷ As the Franco-American summit plans went forward, Jean Monnet condemned the planned meeting between Nixon and Pompidou at Reykjavik as undermining European integration because he believed no single nation should pretend to speak for the rest of Europe.³⁸⁸ At the conclusion of the summit itself, May 30 – June 1, after a previous month of U.S.-French talks, Nixon asked Pompidou to identify ways to speed up European consideration of the Year of Europe. However, sensing the difficult European Community negotiations ahead, Pompidou cautioned: “conception is more fun than giving birth.”³⁸⁹ Nixon also did not come empty handed with such a request. He offered expanded bilateral nuclear cooperation with France, and even suggested that it could be possible for France to obtain a level of military cooperation similar to that between Britain and the United States, a long time desire of President Pompidou.³⁹⁰

“By early June the European response [to the Year of Europe] was still disparate,” the British FCO noted in an internal report. “We and the Germans had given general encouragement to the Americans, but...[t]he French had blocked all attempts to achieve a collective European view” at the meeting of the European Community Foreign Ministers on June 5. In particular, the issues left to be decided were how President Nixon should be received when he eventually

³⁸⁷ NPMP, NSC Box 1027, memorandum of conversation between Henry Kissinger, President Nixon, and the Cabinet, Cabinet Room, May 25, 1973.

³⁸⁸ Bossuat, 296.

³⁸⁹ Kissinger, *Years of Renewal*, 605.

³⁹⁰ Vaïsse, 359.

visited Europe—whether by individual governments or only in multilateral settings such as NATO or the European Community, or a combination of both, what sort of document, a new “Atlantic Charter” or otherwise, should be issued, and how preparations should be conducted.³⁹¹ Kissinger met again with Jobert the same week as the EC Foreign Ministers meeting. In the briefing memo written to Kissinger by Helmut Sonnenfeldt, the importance of the Year of Europe was again linked to domestic affairs: “The objective is to have something in motion, so that this fall when Congress debates troops in Europe we can point to three reasons for standing firm: (1) the Year of Europe process of defining long terms goals is underway, (2) MBFR [Mutual and Balanced Force Reductions] is in train, and (3) the Alliance is analyzing burden sharing and force improvements.”³⁹² After taking a beating in the European press, particularly the French press, Kissinger made the present American thinking very clear to Jobert during their meeting: “Our design is really much simpler than what some French newspapers think. We are very concerned at the erosion of the distinction between friends and enemies. And we wanted the Year of Europe to correct this to some extent.” Then, following the recommendations in the briefing memorandum, Kissinger linked progress on the Year of Europe to domestic politics during the discussion with Jobert. “Second, there is no public demand for the Year of Europe. The results of the Year of Europe will only bring us difficulties in the United States if we don’t press our economic demands and if we try to keep our troops there—both of which are our intention. We foresaw this before Watergate. We are going into an isolationist period.” Kissinger also sought to address European fears that they would be treated in 1973 in a way similar to how they were treated by then Secretary of the Treasury John Connally in 1971, after the collapse of Bretton Woods. Kissinger noted, “We want to create an emotional commitment in America, not

³⁹¹ PREM 15-2089, undated study by FCO Policy Planning Staff on Year of Europe.

³⁹² NPMP, NSC Box 56, memorandum from Helmut Sonnenfeldt to Henry Kissinger, “Your Meeting with Jobert”, June 4, 1973.

win a victory. So the manner in which we do it is important. I will be honest. Connally as Secretary of the Treasury recommended to the President that to be popular in America he should take on the Europeans. He was right.” On the one hand, although those negotiations had damaged relations between the United States and Europe, they were also domestically popular for Nixon, and led to an unprecedented economic expansion in 1972, not to mention his landslide reelection. Kissinger concluded, “In eight years, if Europe becomes obsessed with a sense of impotence because of isolation from us, both sides will have lost. We raise strategic issues because if we don’t raise them, they will be imposed on us [by the Congress]...but we need some cooperation. If we want to take our forces out [of Europe], we could let Congress do it.” Jobert listened carefully, but for most Europeans it was still not completely clear why the Americans would pursue such a politically unpopular policy such as the Year of Europe. Jobert commented, “I see two explanations, (1) that you wish to divide Europe to strengthen your mastery, or that you are doing it for internal or budgetary reasons. Then I think that after your contacts with the Russians you are returning a bit toward the Europeans to reassure them a bit, to reinforce your position vis-à-vis the Soviets. I think this is not completely wrong.” Kissinger, revealing more about American strategy on the Year of Europe than at any point up to this conversation, responded, “No, you are right. But I think it [the Year of Europe] reinforces everyone’s position vis-à-vis the Soviets.”³⁹³

While the French spent the month in extensive talks with the Americans—a role previously filled by the United Kingdom, the British government, just as uncharacteristically, pursued dialogue within the European Community. On June 20, Prime Minister Heath called a meeting of the EC foreign ministers in which the final outcome of the Year of Europe was first glimpsed. “At this meeting the Prime Minister pointed out that the American initiative could not

³⁹³ Ibid., memorandum of conversation between Henry Kissinger and Michel Jobert, Quai d’Orsay, June 8, 1973.

be ignored”, the FCO reported later. “Summing up the subsequent discussion, the Prime Minister described Dr. Kissinger’s proposal for a single declaration of principles as unrealistic.” For the first time in the negotiations, in order to avoid further conflict with the French, Heath proposed that there be two declarations, reflecting the differing interests of the various member states of the European Community. “The communiqué or declaration from NATO should be worked out in that forum...[while] the Community should reach agreement among themselves on the line to be taken with the Americans on other aspects of Atlantic relations.”³⁹⁴ Meanwhile, there was a lull in communication from the American side. Not only did Nixon and Kissinger prefer to give the Europeans the time they needed to develop their own position, but Soviet General Secretary Leonid Brezhnev was in the middle of a week long summit in Washington, June 18-25. Causing even more anxiety for the Europeans, on June 22, Nixon and Brezhnev signed the Agreement on the Prevention of Nuclear War. Europe was consulted very little in advance, just as they had feared they would not be.³⁹⁵

The following month, on July 23, 1973, the European Community foreign ministers met again, this time at Copenhagen to begin the process of drafting a response to the Year of Europe. As difficult as this process had been up to this point, it is worth noting that it occurred at all because the United States had provoked tensions between European states, which forced Europe to strengthen its collective voice. The major points of this declaration were that the EC insisted that defense matters be addressed separately by NATO and not be linked to European concessions in the economic, monetary, and trade fields. In addition, the position of chair of the EC foreign ministers was created as the desired European point of contact for American

³⁹⁴ PREM 15-2089, undated study by FCO Policy Planning Staff on Year of Europe.

³⁹⁵ Grosser, 273.

negotiators, although this individual did not have any power to negotiate, rather only to communicate EC decisions.³⁹⁶

Following the ministerial meeting, Kissinger again registered his reactions to the Europeans, who remained divided on several key points. In general, the European timeline for the Year of Europe was much broader and involved long-term milestones, thus the foreign ministers agreed to meet again on September 10, 1973. However, the American plan had always been to complete the entire initiative within one year. The French for one believed it was more important to first focus on the problems of Europe before taking further steps to develop U.S.-European relations. At the July Copenhagen meeting, the EC had further confirmed Prime Minister Heath's proposal that President Nixon, upon his forthcoming visit to Europe, would sign a NATO communiqué that addressed transatlantic defense issues at NATO, while an EC communiqué that addressed transatlantic economic relations would be issued at the conclusion of his meeting with the EC, even though some allies, such as Germany, indicated that their preference still remained a single declaration rather than two less-inclusive ones. There was unanimous American agreement that this European approach fell well short of the grand original intentions of the Year of Europe, but at least some progress was being made.³⁹⁷

In subsequent discussions with Europeans, Kissinger returned to the theme of the necessity of working more quickly on the Year of Europe so as to mediate restraining American domestic political influences. In a meeting with Emile van Lennep, Secretary General of the Organization for European Cooperation and Development, the Paris-based organization formed in 1961 to take over economic oversight duties that had originated with the Marshall Plan, Kissinger noted the importance of showing progress on the Year of Europe negotiations to an

³⁹⁶ Cromwell, 83.

³⁹⁷ NPMP, NSC Box 322, memorandum from Theodore Eliot to Henry Kissinger, "EC Foreign Ministers Discuss the Atlantic Declaration Proposal", July 27, 1973.

increasingly isolationist Congress which had plans to consider additional European troop cuts. “We can probably get through this session of Congress without cuts,” Kissinger said, “but we won’t be able to get through the next [session].” Besides withdrawing the symbolically important defense commitment to Europe, the cuts would mean that transatlantic disagreements would become that much more difficult, and the White House would be much more constrained in its courses of action in foreign policy making. “This will bring about a situation in which détente policies will so overwhelm relations with Europe that it will be difficult to get things going again. Then we will have to wait quite a while until we can pick things up,” Kissinger summarized.³⁹⁸

Suddenly, a few days later, on July 30, Kissinger met again with the British, and informed them that he believed transatlantic relations had now evolved into an adversarial relationship and that the Year of Europe was “over.” With all of the ups and downs during the negotiations that had begun in 1972, one thing was certain: there was marked deterioration in Anglo-American relations between February—since the productive meeting between President Nixon and Prime Minister Heath in Washington, and July—in which Kissinger said the Year of Europe was cancelled. In the past four years, a wholly new American relationship had been achieved with China and the Soviet Union and was endorsed in dramatically publicized summit meetings, in addition to a difficult disengagement from Vietnam. As Kissinger was fond of pointing out to the British, he had done all of this “by highly personal and unconventional methods, including...a degree of ‘brutality’ in negotiation.” Therefore, the European governments recognized when similar tactics had been turned on them.³⁹⁹

The FCO studied the difficult position the British government had been in throughout the Year of Europe. “The British contributed their quota of misunderstanding by a necessary attempt

³⁹⁸ NPMP, NSC Box 54, Henry A. Kissinger Office Files, Country Files-Europe-General, memorandum of conversation between Henry Kissinger and Emile van Lennep, location unknown, July 27, 1973.

³⁹⁹ PREM 15-2089, undated study by FCO Policy Planning Staff on Year of Europe.

to get the best of both worlds: to combine a European policy with the preservation of Anglo-American and Transatlantic friendship.” Nixon and Kissinger for their part had severely underestimated the difficulty of reforming relations with a Europe itself in the midst of significant changes. Moreover, their “linking defense (where the European position was weak) with economics (where it was strong and, for the Community, entrenched in dogma) this strategy was unwelcome to the Europeans. Dr. Kissinger does not seem to have appreciated that the inclusion of economic issues in his package would be taken by the Europeans as a challenge to the Community and would stimulate a unified response.” Furthermore, it was also clear that Kissinger did, to some degree, use unfair tactics during negotiations with the Europeans. While on the one hand, “Dr. Kissinger was trying to divide and rule by his insistence on secret, separate and bilateral talks, in which only he knew the full score,” at the same time “because discussions could only take place at the highest level, these were necessarily brief, infrequent and interspersed with other business.” Normal diplomatic practice would have been to precede high level discussions with lower level, more informal talks designed to feel out the various negotiating positions of each side. However, “because of Dr. Kissinger’s insistence on excluding the bureaucracy, no such exchanges ever took place and there was no opportunity to discover informally how thinking was developing on the two sides of the Atlantic.” Interestingly, the FCO also placed the greatest blame for problems in transatlantic relations on the British and the French: “the flames of American resentment were primarily stoked by Britain and France.” On the one hand, “the French never regarded it as necessary or desirable to make substantial concessions to the United States in order to retain American support for Europe.” On the British side, “in retrospect it is arguable that the British did not try hard enough. There were reasons for this. Nevertheless, the real embarrassment caused to the British by the prospect of discussing

bilaterally with Dr. Kissinger a project he had rendered multilateral...did contribute to the prolonged absence of substantive Anglo-American consultation in June and July. Moreover there was, after the Ministerial meeting of June 20, a definite shift in the emphasis of British policy towards European unity as the precondition for Transatlantic understanding.”⁴⁰⁰

Following this meeting, Kissinger had another round of discussions to explain why the Year of Europe was now dead, yet he also obviously still had an interest in doing something to strengthen the transatlantic alliance, but with select nations only. In a meeting with Belgian Foreign Minister Etienne Davignon, Kissinger suggested continued talks on strengthening the Atlantic alliance, but not through the European Community, which seemed to be a bottleneck in the Year of Europe discussions. Kissinger noted, “in regard to the Year of Europe, we don’t insist on doing it with the Nine. This is up to the Europeans.” He also returned to theme that some improvement in transatlantic relations was necessary to prevent further Congressional movements toward isolationism, but not at any cost. “You should understand that there is no popular demand here for the Year of Europe. In fact, we will have a big brawl with Congress over troop commitments and we could drop the whole thing without losing any prestige. But we are doing it to stop the erosion and to get a sign of the real vitality of the Atlantic relationship. But if we have to fight and bleed for it, it simply isn’t worth it.”⁴⁰¹ The American suggestion that since the Year of Europe was bogged down in the EC the United States would either cancel it or do it without the EC shocked many Europeans, but Kissinger pursued this option anyway. Writing President Nixon on the subject, Kissinger recommended saying nothing further about the Year of Europe until the Europeans made the next move: “We will take no further initiative and

⁴⁰⁰ PREM 15-2089, undated study by FCO Policy Planning Staff on Year of Europe.

⁴⁰¹ NPMP, NSC Box 54, memorandum of conversation between Henry Kissinger and Vicomte Etienne Davignon, San Clemente, July 30, 1973.

reserve our position until we see what the Europeans have to say in September.”⁴⁰² When the German government learned of Kissinger’s decision to end the Year of Europe, Chancellor Willy Brandt immediately sent a backchannel telegram to President Nixon that offered consolation: “I can understand your finding certain aspects of this learning process irksome, for instance the time it is taking. But I think it would be wrong for the United States, having for so long called upon the Europeans to speak with one voice, to feel left out when the Nine try to reach agreement among themselves.” Brandt also made the suggestion that perhaps a lesser agreement, should that be the most that the United States and the European Community could agree on, would still be better than no agreement at all: “I would prefer a more modest, common denominator to an ambitious, but controversial, project.”⁴⁰³ However, the American position did not soften, despite the efforts of Brandt. Kissinger clarified this to German Foreign Minister Walter Scheel in another backchannel message a few days later. “The President is prepared to await the results of the [September] Copenhagen meeting and will not make further issue of this extraordinary train of events.”⁴⁰⁴ Scheel again expressed concern that the Americans had put themselves on the defensive, and advised that the U.S. should be patient while the EC worked toward drafting the two separate communiqués. After all, he noted, “if the Europeans cannot evolve common ‘basic approaches’ on it—apparently not detailed positions—then European cooperation and the goal of union by 1980 are in bad shape.”⁴⁰⁵ Echoing the German remarks, French Foreign Minister Michel Jobert also suggested that it would be better to pass a weak resolution rather than remained gridlocked in the EC trying to satisfy the American requests. As American Ambassador to France John Irwin noted to Kissinger, “He [Jobert] recognized that we

⁴⁰² NPMP, NSC Box 61, memorandum from Henry Kissinger to President Nixon, “Year of Europe Correspondence with Chancellor Brandt”, undated (end of July 1973).

⁴⁰³ *Ibid.*, backchannel telegram from Willy Brandt to President Nixon, August 4, 1973, Bravo Four 001 2171500.

⁴⁰⁴ *Ibid.*, backchannel telegram from Henry Kissinger to Walter Scheel, August 9, 1973, Special Channel.

⁴⁰⁵ *Ibid.*, memorandum from Helmut Sonnenfeldt to Henry Kissinger, August 29, 1973.

would prefer a paper with some substance in it but implied that he thought we would settle for the paper for its own sake. The Nine did not particularly like the draft declaration we had circulated, which he referred to as the ‘Sonnenfeld [sic] paper.’”⁴⁰⁶ While the American government waited for the outcome of the European drafts, Kissinger updated President Nixon on where the situation stood. “At the meeting of the EC Nine foreign Ministers on September 10, they agreed on a draft declaration, which they submitted to us on September 19 together with a proposal that I meet with the Danish Foreign Minister in New York, who would act as the spokesman for the Nine and who would receive our comments.” Kissinger also pointed out that the arrangement decided upon by the Europeans, in which one foreign minister would deliver the Europe response but not be able to negotiate or even receive the American response was unacceptable. “When I met with the Foreign Minister [Andersen of Denmark] I told him that the procedures followed by the Nine were totally unacceptable, that we could not accept a situation in which our views could not be made known to the EC while they were considering their position.” However, Kissinger knew that even an agreement that was less than perfect was still better than no agreement at all, and looked ahead to the president’s eventual visit to Europe. “The Europeans, therefore, developed the proposal that you should be received by the President of the EC Council of Ministers (a rotating position) and by the President of the EC Commission (Mr. Ortoli) as well as by the Nine foreign Ministers. The two EC Presidents would represent the EC collectively. They are in effect your counterpart, and this arrangement would be acceptable in principle.” Apart from the problems faced in the EC related to their draft communiqué, Kissinger noted that the defense-related communiqué in NATO was going ahead as planned. “There have been no major procedural problems in NATO; all of the Allies, save France, have been eager to

⁴⁰⁶ NPMP, NSC Box 56, backchannel telegram from John Irwin to Henry Kissinger, September 7, 1973, U.S. Embassy in Paris Hotline.

begin work on a declaration on defense and East-West relations.” Finally, he also indicated that isolationist pressures from Congress were becoming even more intense, but that still the most isolationist maneuvers, such as the Mansfield and Jackson/Nunn amendments were likely to be defeated. However, in talks with the Europeans, Nixon should not appear to be positive about such a likelihood, and should instead maintain a grim mood when speaking to the Europeans. “We are experiencing the greatest pressure yet from Congress to reduce troops in Europe,” he said. “It took a major effort to defeat Mansfield but we still face amendments for smaller cuts and the Jackson/Nunn amendment linking force levels to offset. (You should not indicate that we expect to get rid of the Jackson/Nunn amendment in conference).⁴⁰⁷

The Year of Europe: The Year That Wasn’t

By the fall of 1973, the Year of Europe was aborted, although the drafting of the communiqués slowly chugged along. Europe had won out; there would be two separate communiqués, one for defense issues within NATO, and one for political and economic issues drafted within the European Community. As soon as they were drafted, President Nixon would visit Europe for a public signing ceremony. Although the drafting continued, the Year of Europe was over because the exercise had become devoid of any vision or meaning for transatlantic relations. Even if Nixon and Kissinger still had desired to return the Year of Europe to their original intentions, including one broad communiqué that set forth their vision for the future of transatlantic relations, it was too late. The Europeans were set on two communiqués, domestic politics in the United States had become too hostile to the idea of expanding the nation’s foreign policy with Europe, and other competing policy priorities demanded a larger portion of Nixon and Kissinger’s time during the remainder of 1973. Therefore, as long as the communiqués

⁴⁰⁷ NPMP, NSC Box 918, memorandum from Henry Kissinger to President Nixon, “Meeting with Chancellor Brandt”, September 29, 1973.

drafted in Europe met some basic threshold in making a statement about the continued importance of the transatlantic alliance that would have to do.

Moreover, the intensification of the Watergate investigation caused more and more problems for the Nixon administration. Nixon had lost his two most trusted aides—Bob Haldeman and John Ehrlichman—to the developing scandal, and a distracted Nixon appeared to be losing his grip over American foreign policy to an isolationist Congress. By the fall of 1973, the nation had become aware of Nixon's taping system—the disclosure of which and subsequent use of selected tapes during the investigation lead to his ultimate resignation. On August 3, Kissinger met with the President's Foreign Intelligence Advisory Board (PFIAB) aboard the presidential yacht Sequoia, and lamented. "It's in this way that Watergate is a disaster. Everything is a little harder now and takes a little longer—Europe, China, etc. It is a national obligation to get Watergate behind us so we can be seen as an operating government."⁴⁰⁸ However, this was not to happen, and in fact it only got worse during the fall of 1973. As a result, the U.S. Senate Committee on Foreign Relations referred to the confirmation hearings for Henry Kissinger as Secretary of State, held on September 7, 10, and 11, as "more extensive than those which have been held with respect to any nominee for this post since World War II, or before—indeed, according to the records available to the Committee, since the founding of the Republic."⁴⁰⁹ While Congress continued to be aggressive with the Nixon administration, there were already signs that Europeans governments became more distanced from the United States government as a result of the ongoing Watergate investigations. Kissinger went on the defensive. In a meeting with Danish Foreign Minister K.B. Andersen—chosen as the EC representative to deliver messages to the United States, but he did not have any additional authority to negotiate or

⁴⁰⁸ GRF, HAK Memcons, Box 2, memorandum of conversation, PFIAB, Sequoia, August 3, 1973.

⁴⁰⁹ Library of Congress, Manuscript Division, Papers of Elliot Richardson, Box 203.

to receive an American response—on September 25, Kissinger defended the American position. “Our problem is that from July 23 to September 19 there has been no consultation at all.” Andersen tried without success to defend the difficult progress that had been made by the Europeans, all while coping with challenges related to European integration. “You must understand how difficult it is for the Nine to achieve what we have,” he said. However, Kissinger was not interested in hearing about the internal challenges of Europe. He continued: “Yes, it is a considerable achievement for Europe but not for Atlantic relations...Europe must decide if it intends to build Europe or also to build Atlantic relations. If the decision is to build Europe when the Atlantic relationship is collapsing then the European achievement will be at the expense of Atlantic relations.”⁴¹⁰ Meanwhile, during meetings between President Nixon and European leaders, Nixon was careful to remind them again of the great domestic political pressures he was under, in the hope that European concessions would help him with Congress. On October 1, Nixon met with President of European Commission Francois-Xavier Ortoli to update the man most influential in the drafting of the two communiqués on the way transatlantic relations were being received in the United States. “First, it is fair to say that the position I take about continued U.S. participation in the NATO alliance is not helpful in this country politically”, Nixon noted. “The position I take regarding trade matters is also a political loser here...you will note in the weeks ahead some tough struggle with our Congress.” Nixon also continued to emphasize the importance of strengthening the Atlantic alliance: “If Europe and the U.S. come apart, the Soviets can pick us off one by one, not through military conquest, but through other methods. Their goals have not changed, only their techniques have changed. The purpose of the Year of Europe initiative is for all of us to reevaluate the world in which we live, to see what is obsolete

⁴¹⁰ NPMP, NSC Box 1027, memorandum of conversation between Henry Kissinger and K.B. Andersen, United States Mission to the United Nations, September 25, 1973.

and what still speaks to the times, and them to come forth at the end with economic and military principles that we can work to implement.”⁴¹¹

At a White House press conference on October 3, Nixon updated the press corps on the status of his trip to Europe. “[I]t is difficult to pinpoint the timing of a trip to Europe, but in order that all of you can make your plans a little better, the trip to Europe will be made within the next few months and the timing will be based on these factors: First, the progress which is made on the discussions now going on with regard to a declaration of principles with regard to the Alliance, and with regard to economic matters as well.” However, Nixon cautioned this language by noting the severe effect Congress was having upon his foreign policy. “I cannot take a trip to Europe or any place else at a time when there are matters before the Congress of very great significance.”⁴¹² Then, the rest of the month took a turn for the worse for President Nixon. On October 10, Vice President Spiro Agnew resigned due to a scandal unrelated to Watergate. During the second week of the month, Nixon negotiated the release of his White House tapes to the Watergate investigation committee. This led to the resignation on October 20 of Attorney General Elliot Richardson and the dismissal of Watergate Special Prosecutor Archibald Cox, known as the “Saturday Night Massacre.” When faced with these events of paramount urgency, Europe could not possibly have been a consideration. Moreover, Henry Kissinger was in Moscow negotiating a Middle East ceasefire.⁴¹³

It was during these difficult days that some Europeans, especially the British government, became introspective and sought to understand how things had going so terribly wrong in transatlantic relations during a year that was intended to do very much the opposite. British

⁴¹¹ NPMP, NSC Box 322, memorandum of conversation between President Nixon, Henry Kissinger, and Francois-Xavier Ortoli, Oval Office, October 1, 1973.

⁴¹² *Nixon: The Fifth Year of His Presidency*. Washington, D.C.: Congressional Quarterly, Inc., 1974, 174.

⁴¹³ Henry Kissinger. *Crisis: The Anatomy of Two Major Foreign Policy Crises* (New York: Simon and Schuster, 2003, 2.

Foreign Secretary Douglas-Home accounted for some of the deterioration in Anglo-American relations in the change in British foreign policy since accession to the European Community. “These spring from the fact that we must necessarily try to get the best of both worlds: to combine our European policy with the preservation of a fruitful Anglo-American and Transatlantic relationship”, he noted. However, the Americas were not blameless. Douglas-Home continued, “To my mind one of the main causes of the trouble we have all experienced lay essentially in the fact that Dr. Kissinger insisted on himself running everything that was crucial in the foreign and defense policy in the U.S...most of his diplomatic experience, after all, has been gained comparatively recently in successful negotiations with the adversaries of the U.S. and he had perhaps made insufficient allowance for the different approach demanded by allies with whom he had little contact.”⁴¹⁴ The British Foreign Secretary even shared a few of these thoughts with Kissinger himself. Writing to the American Secretary of State on November 23, Douglas-Home noted, “our European response to the initiative which you launched with your speech in April may, it is true, have seemed almost culpably slow. But, frankly, it caught us on the hop.” Expanding on the internal difficulties of the European Community, he commented, “our Community machinery for rapid response simply wasn’t there.” Finally, Douglas-Home, nearly apologetic, emphasized his regret for the deterioration in Anglo-American relations, and suggested that even though the Year of Europe was over, that was no reason not to continue working toward improved bilateral relations. “Though frustration abound, there is really nothing in my view which justifies the fear that U.S./British relations are ‘collapsing.’ Certainly we have no intention of allowing this to happen. I am sure that our aim should be to restore the old

⁴¹⁴ PREM 15-2089, memorandum from Alec Douglas-Home to Prime Minister Heath, October 17, 1973.

intimacy and I can see no reason why this should not be possible.”⁴¹⁵ However, when British Ambassador Lord Cromer delivered these remarks to Kissinger the following day, the American Secretary of State refused to accept any blame himself. As Cromer reported, Kissinger “said out of the blue that his sadness in the case of the British was that the special relationship was collapsing. Our [British] entry into the European Community should have raised Europe to the level of Britain. Instead it had reduced Britain to the level of Europe...now he was balancing up whether it would be less damaging to kill off the declaration, or allow work on it to be concluded.”⁴¹⁶ Kissinger must not have been very impressed by the sincerity of the British, since he commiserated with Secretary of Defense James Schlesinger that “Heath is the first Prime Minister who has no special American ties. He is a Gaullist. [Douglas-]Home is basically U.S.-minded. I think the British have decided to be wholly European.”⁴¹⁷

As Kissinger deliberated over what to do, he wanted a fresh perspective, so he invited in a number of former American foreign policy luminaries, including Dean Rusk, McGeorge Bundy, and Cyrus Vance, among others. Kissinger laid out the current status of work on the two communiqués and well as a more general update on transatlantic relations. Noting that progress was being made on the communiqués, Kissinger said “we agreed that meetings with the Nine would be at the Assistant Secretary level to work on the declaration and the U.S. has been represented by Mr. [Walter] Stoessel and Mr. [Helmut] Sonnenfeldt.” However he was certain to emphasize how awkward negotiations had been with the European Community. “The negotiations had hardly been normal, however; there is no real negotiation, since the Europeans state their position, then we state ours, and then the Europeans go away to work out their

⁴¹⁵ Ibid., telegram from Alec Douglas Home to Henry Kissinger, via Lord Cromer, November 23, 1973, FCO 281705Z.

⁴¹⁶ Ibid., telegram from Lord Cromer to Alec Douglas-Home, November 24, 1973, Washington 242000Z.

⁴¹⁷ GRF, HAK Memcons, Box 2, memorandum of conversation between Henry Kissinger and James Schlesinger, Pentagon, November 23, 1973.

response, after which the whole process is repeated.” This meeting was less a discussion among foreign policy experts than a session in which Kissinger laid out all of his grievances.⁴¹⁸

The tenor of Kissinger’s comments, which sometimes found their way into the press, put Prime Minister Heath on the defensive, at a time when he was already suffering through miserable public approval ratings. British Ambassador to Washington Lord Cromer saw that there was a relation between the decline in transatlantic relations and Heath’s approval numbers. As Cromer commented to the FCO on December 1, “He [Heath] had high hopes of convincing the British public that entry into the Common Market would give Britain a new and glorious role to play on the world stage. But his wishes have turned to ashes. The latest opinion poll here shows that only 29 per cent think membership helps the country, 44 per cent think it hurts and the rest don’t know or can’t decide.” Heath himself also went on the defensive, but chose to blame the United States for his demise. In comment to the press, Heath noted, “it was wrong to imagine that the Americans could have ‘The Year of Europe’ without any consultation and yet it had been launched without a single word.” He also pointed out that the United States would never “...ask for ‘A Year of China’ without consulting the Chinese but they had done that in the case of Europe.” Finally, the British Prime Minister took credit for the current two communiqués approach that he had originally suggested, while also hinting that a secret Franco-British agreement was what kept the Year of Europe together on the European side of the Atlantic. “It was a British initiative which had achieved that and it had been the British who had dealt with the French and brought them along: it had all been agreed in the garden of No. 10 with the French foreign minister”, he noted.⁴¹⁹ Finally, as the year 1973 wound down, the two

⁴¹⁸ NPMP, NSC Box 1027, memorandum of conversation between Henry Kissinger, Dean Rusk, Douglas Dillon, Nelson Rockefeller, McGeorge Bundy, Cyrus Vance, and John J. McCloy, Secretary’s Office, November 28, 1973.

⁴¹⁹ PREM 15-1989, “Dr Kissinger complained that Prime Minister had made personal attack on him at dinner with US correspondents, 28 November 1973”, telegram from Lord Cromer to Foreign Office, December 1, 1973.

communiqués were coming along, but at the cost of a major deterioration in transatlantic relations, they were nearly empty of meaning. Kissinger complained publicly during his speech to the Pilgrim's Society in London on December 12 that dealing with the European Community was almost impossible since it was so difficult for the EC to renegotiate its position once it had arrived at a difficult compromise.⁴²⁰ Then, on December 19, Kissinger met with French Foreign Minister Michel Jobert, and commented, "I think the NATO declaration is coming along quite well and we should leave further negotiations to our Ambassadors." Both men recognized the damage that had been to the Atlantic alliance in order to achieve the communiqués. Jobert responded, "I feel like paraphrasing Churchill and saying that never did a man do so much for so little reward." Kissinger added, "Or perhaps we should say that there was never so much effort for so little purpose."⁴²¹

Conclusion

The year 1973 was the most significant—if tragic—for Europe since 1963, the year of then President Charles de Gaulle's veto of the United Kingdom's first application to the European Community. 1973 was the year that Britain finally joined the EC, and the crises of that year provided the strongest evidence yet to the Europeans that they had no hope of maintaining any influence in the world unless they moved more resolutely toward the political union they had set as their goal by 1980.⁴²² At the end of 1973, transatlantic relations had reached yet another new low, after the EC agreed on a position of neutrality in the Yom Kippur War that the United States considered to be pro-Arab.⁴²³ Once the Middle East war was over, the Nixon administration stewed in frustration over negotiations with the EC. On February 9, 1974,

⁴²⁰ Karl Kaiser. "Europe and America: A Critical Phase." *Foreign Affairs* 52 (1975): 727.

⁴²¹ NPMP, NSC Box 56, memorandum of conversation between Henry Kissinger and Michel Jobert, Quai d'Orsay, December 19, 1973.

⁴²² Goldsborough, 541.

⁴²³ Buchan, 4.

Kissinger lamented, “our forces give Europe the security to bitch at us...the last thing we want is a rupture. But now we are putting a bandaid on a cancer. We have tried and they have kicked us.”⁴²⁴ Then, everything changed.

On February 28, 1974, British Prime Minister Edward Heath was defeated, and a more American-friendly Labor party under Harold Wilson came to power. Almost immediately, Foreign Secretary James Callaghan began echoing complaints about the European Community that sounded as if they could have been written by Henry Kissinger himself. On April 2, French President Georges Pompidou died, and a more conciliatory French government under newly elected President Valery Giscard d’Estaing was created. Finally, German Chancellor Willy Brandt resigned on May 6, bringing pro-American Helmut Schmidt to power. The leaders in power in all three of these countries came to power greatly concerned with fixing the declining state of transatlantic relations which they had observed from the side lines during the preceding year. Meeting in Ottawa, Canada, on June 18-19, these new leaders agreed to hold a summit on June 26 at NATO in Brussels in which the defense-related communiqué would be signed, ending months of gridlock. The agreement was much weaker than the United States originally had in mind as part of the Year of Europe, but it still affirmed the Atlantic alliance in what was the 25th anniversary of NATO. However, the other communiqué, drafted in the European Community, did not come to closure as easily. As Nixon was instructed to say in his talking points for British Prime Minister Harold Wilson during the signing of the NATO communiqué, “We have no objection to leaving the U.S.-EC declaration in abeyance.”⁴²⁵ In fact, it would not be until the resignation of Richard Nixon that European leaders were again comfortable going forward with

⁴²⁴ NPMP, NSC Box 1028, “Presidential/HAK Memcons”, memorandum of conversation between President Nixon, Henry Kissinger, George Shultz, William Simon, and Brent Scowcroft, San Clemente, February 9, 1974.

⁴²⁵ NPMP, NSC Box 54, briefing book for President’s meeting with British Prime Minister Harold Wilson, Residence of the U.S. Ambassador, Brussels, June 26, 1974.

the second communiqué that addressed the political and economic aspects of transatlantic relations. In fact, on August 27, French President Giscard d'Estaing announced on a radio-TV speech "his intention to propose to France's European partners new measures for the 'political organization' of Europe." Rather than suggest that the reason for the delay was an American administration that was on the verge of collapse during the summer of 1974, Giscard d'Estaing noted the impetus for the resumption of transatlantic talks was the resolution of the Cyprus conflict.⁴²⁶ The talks would conclude as part of the Helsinki Final Act on August 1, 1975, long after the Year of Europe was forgotten, when 35 nations signed the Helsinki Accords, which were the final outcome of the Conference on Security and Cooperation in Europe (CSCE). The signing of this agreement also set in motion the beginning of the G-7—then the United States, United Kingdom, France, Japan, Italy, Germany, and Canada—which first met on November 1975 to coordinate the economic policies of the major industrial democracies and have continued to the present day.

Although it ended abruptly and prematurely, the Year of Europe was an ambitious foreign policy initiative that took place in the background of the end of the Vietnam War, the United States-Soviet Union arms talks, European Community expansion and integration, and an escalation of the Watergate investigation. It is truly remarkable that the Year of Europe persisted as long as it did under the circumstances, testament to the deep roots in transatlantic relations. All of the governments of the major nations involved fell between the beginning of the Year of Europe and the signing of the NATO agreement and Helsinki Accord, a duration of less than three years. On the American side, Richard Nixon and Henry Kissinger believed that after tensions had been reduced with the Soviet Union and China in period of 1969 to 1972, by 1973

⁴²⁶ NPMP, NSC Box 56, telegram from American Embassy, Paris, to Secretary of State Kissinger, August 28, 1974, Paris 20425.

addressing problems associated with Europe was long overdue. After all, as President Nixon always pointed out many times, “a healthy U.S.-European relationship is the best way to keep the Soviet Union and China in line.”⁴²⁷

For Nixon and Kissinger, the purpose of the Year of Europe was four fold: to show the Soviet Union the solidarity of the Western alliance, to show China that the West was keeping the Soviets busy in Europe, to show Congress that the U.S. was indeed actively negotiating American overseas commitments, and to show Europe that the United States recognized the increase posture of the European Community as a result of the addition of the United Kingdom. Equally, there were four key obstacles to the propose development of the Year of Europe. First, although Britain was traditionally a close ally of the United States, with its adhesion to the European Community the Foreign and Commonwealth Office did not know how to mesh its American policy with its newly-created European policy, and did not receive the proper leadership from 10 Downing Street. Publicly the British government was pro-Europe, but privately the FCO under Alec Douglas-Home sought closer ties with the United States after he realized the inherent flaws in the Heath foreign policy of attempting to have the best of both worlds. Secondly, the French were publicly against most of the Year of Europe initiative, especially anything that dictated a timetable for closer European cooperation or had to do with defense cooperation. However, bilaterally the French were interested in discussing both defense and economic cooperation with the United States, as long as these were not linked to other topics. Privately, the French had perhaps the warmest discussions with their American interlocutors, assuming the role previous filled by the United Kingdom Third, the German government under the Social Democratic Party had foreign policy ambitions with the Soviet Union that were

⁴²⁷ NPMP, NSC Box 1028, memorandum of conversation between President Nixon, Henry Kissinger, George Shultz, William Simon, and Brent Scowcroft, San Clemente, February 9, 1974.

incompatible with closer bilateral relations with the United States as long as both sides feared what the other might be doing. These *Ostpolitik* overtures also caused a rupture in the Franco-German relationship that had been rooted in the European Community since 1963 which was temporarily replaced by the Anglo-French relationship. This dramatic shift was, as Prime Minister Heath noted, sealed in a secret agreement between himself and French Foreign Minister Michel Jobert “in the garden of Number 10.”

Finally, for the United States, its failure to achieve a Vietnam ceasefire agreement in November 1972, and instead having to escalate bombing in December to produce a January 1973 ceasefire meant an immediate loss of credibility with European allies, as well as the loss of the month of December, which Nixon had planned to use to properly launch his Year of Europe initiative. Then, when the Year of Europe was again jumpstarted in the spring of 1973, the sloppiness in preparation for Kissinger’s April speech as well as European criticism caused weeks or even an entire summer of additional lost time. The speech should have been given by President Nixon, not by a presidential assistant, especially the assistant that many Europeans had already been suspicious of for negotiating so secretly and extensively with the Soviets and Chinese, seemingly over the heads of European and without proper consultation. But this was not to say Kissinger could not have done as best he could have on the speech. However, failure to give Europeans sufficient notice, and several oversights in language that frankly insulted the Europeans only confirmed for them that they could never compete for American attention with, say, the Soviet Union or China. Kissinger’s excuse that he was “short on time” when he prepared the speech only served to confirm this further. Then, once these delays reached into the fall of 1973, numerous Congressional constraints were put on Nixon’s foreign policy, including the War Powers Act. In an era of increasing American insularity, when Congress had become

convinced that Nixon was no longer going to do as it wished, Congress took the reins of foreign policy making, albeit in hindsight this was for no more than a handful of years. Meanwhile, the Watergate investigations began to intensify, the three European governments all fell in the first half of 1974, and efforts to improve transatlantic relations could not be revived again until after Nixon resigned. Thus, although the Year of Europe was the most ambitious plan to improve Atlantic unity since the Marshall Plan, its failure resulted in the lowest point in transatlantic relations since World War II.

CHAPTER V. THE UNITED KINGDOM AND THE EUROPEAN COMMUNITY

The year 1974 was the most turbulent in Nixon-era transatlantic relations. U.S.-European ties were at the lowest point since World War II after complications related to the 1973 American policy the Year of Europe. The Anglo-American “special relationship” was threadbare, and in Europe, the Franco-German *moteur* that had driven European integration since the 1957 Treaty of Rome was stalled. The British, French, and German governments all fell in the first half of the year, President Nixon’s resignation in August brought a relative unknown in President Gerald Ford to the White House, and cumulative crises in the areas of defense, trade, and monetary policy left a very bleak outlook. Moreover, these and other industrialized nations did not seem to have an answer to the new challenges of the 1970s, including stagflation, rising energy prices, and food shortages. However, by the middle of the following year the situation was significantly improved. Although inflation and unemployment persisted beyond the end of the decade, the process of European integration was re-launched as a result of a revitalized Franco-German commitment rooted in the personal friendship between Valéry Giscard d’Estaing and Helmut Schmidt. The U.S.-UK relationship, strengthened in large part by the efforts of Harold Wilson and James Callaghan on the one side, but also by the continuity into the Ford administration of Secretary of State Henry Kissinger on the other, was again closer than it had been for a decade. More generally, 1975 marked the beginning of a time of more prosperous political relations between the United States and France, Germany, and the United Kingdom as compared to the period immediately before.

The key to the transformation and ultimate amelioration in transatlantic relations was the successful renegotiation of British membership of the European Community. This process has been largely ignored by scholars even though it was so vital to the Anglo-American “special

relationship”, European integration, and transatlantic relations in general. The fourteen-month series of summits and high level political meetings came dangerously close to ending Britain’s alliance with continental Europe in which at least one other nation—Denmark—planned to follow the United Kingdom out of the EC. Prominent Europeans and Americans stated that if Britain were to exit the European Community, the result could have meant the splintering of the entire Western alliance, as a desperate and isolated Great Britain would have been forced to restructure all of its major alliances in Europe—political, military, and economic. Moreover, if such an outcome had come to fruition, the United States was prepared to sever the “special relationship”: American contingency planning had concluded that a weak Britain could become a “drain” in a “lop-sided” alliance.

However, at the eleventh hour, when cooler heads prevailed and all sides realized the grave potential consequences for not just the EC, but also NATO and more broadly transatlantic relations, critical budgetary concessions by the EC—led by Germany—compelled the UK to soften its secessionist rhetoric and remain in the EC. In a sense, progress toward European integration had always come on the back of crisis, but the case of British renegotiation was the greatest, most-prolonged crisis in the history of the European Community. Once the matter was resolved, by mid-1975, the solution set forth a pattern of European behavior—in particular British behavior within the EC, as the budgetary concessions that were the main result of the renegotiation represented the first of numerous subsequent British “rebates”—that has persisted to this day. At the end of this process the allied relationships emerged stronger, and a system of consultation was established that guided European nations through the difficult economic years of the 1970s, until EC expansion and integration appeared once again on the European agenda in the 1980s under the leadership of Commission President Jacques Delors.

The Conservative-Labor Leapfrog

At the beginning of 1974, the United Kingdom was in the midst of the most serious economic crisis since World War II. After joining the European Community in triumph a year earlier on January 1, 1973 after two previous failed attempts in 1963 and 1967, the remainder of the year witnessed sharp increases in the prices of basic commodities such as food and energy, which caused ballooning domestic inflation and a significantly worsened national economic outlook. Many of the British electorate and opposition parliamentarians incorrectly blamed the newly acquired membership of the EC, the *acquis communautaires* that came with it, and more generally a perception of lost sovereignty over the administration of domestic policy. It was all too coincidental that Britain's vanishing economic strength occurred in parallel with the governing Conservative Party's policy of establishing closer ties with the Six that had led to full membership of the European Community that then included Germany, France, Italy, the Netherlands, Belgium, and Luxembourg, in addition to Ireland and Denmark, which also joined the United Kingdom as the three nations that represented the EC's first wave of expansion in 1973. After all, the Tories under Prime Minister Edward Heath had fundamentally and at times painstakingly reoriented British foreign policy over the course of the previous decade. After the failure of the first attempt to join the EC in 1963, in which Heath was a major figure under then Prime Minister Harold MacMillan, the Conservative government fell and brought the Labor Party under Harold Wilson to power from 1964 to 1970. Rejected by Europe, Britain under Labor was forced to accept dependence upon the United States.⁴²⁸ However, during those years, Heath as opposition leader remained pro-Europe, even while the second British attempt to join the EC failed in 1967, again condemned by the veto pen of French President Charles de Gaulle.

⁴²⁸ Kathleen Burk and Melvyn Stokes, eds. *The United States and the European Alliance since 1945* (Oxford: Berg, 1999), 119.

Then came the parliamentary elections of June 18, 1970. A disinterested electorate returned Edward Heath and the Conservative Party to power, and thus the “Britain in Europe” campaign once again returned to the national agenda. Heath was convinced that the third attempt to join the EC would succeed, especially after the greatest barrier to entry, French President de Gaulle, had resigned in April 1969 and had passed away only eighteen months later. His successor, Georges Pompidou, wanted to put some distance between himself and his predecessor whom he had served as Prime Minister since 1962. In fact, even before the 1970 election, Heath had signaled a potential shift in British foreign policy shortly after de Gaulle’s resignation:

In the next year or two there may be another opportunity for Britain to join in this process. If this effort is to succeed it must be most carefully prepared, for public opinion in Britain could not tolerate a third failure. Britain’s application to join the EEC remains on the table with those of the other applicant countries. The next step so far as Britain is concerned must be for the Six to signify that they are all ready to begin negotiations on our application.⁴²⁹

After de Gaulle’s passing in late 1970 and newly elected leadership in both France and Germany, Heath had the window of opportunity he had been looking for. However, once in power his difficulty in implementing his vision was rooted in his government’s poor job of communicating Britain’s decision to finally and determinedly enter the EC, and at nearly any cost. Some observers at the time claimed that the Heath government lacked skilled communicators, which permitted the government’s reputation to become known as a “gratuitously abrasive style”, both at home and abroad.⁴³⁰ For example, while President Richard Nixon clearly placed emphasis on the maintenance of the Anglo-American “special relationship”, Heath was more distant. At times, American policymakers inferred that Heath, wanting membership in the EC, leaned closer to Europe in order to gain admission, which obviously meant a period of more distant relations with the United States. However, Heath was more direct in his memoirs. During an official visit to the

⁴²⁹ Edward Heath. “Realism in British Foreign Policy.” *Foreign Affairs* 48 (October 1969), 42-43.

⁴³⁰ David Butler and Dennis Kavanagh. *The British General Election of February 1974* (New York: St. Martin’s Press, 1974), 10-11.

White House in December 1970, he stated to Nixon: “I declared that I did not favor the suggestion of a ‘special relationship’ between our two countries.”⁴³¹ This alarmed U.S. policymakers, who had theretofore been traditional supporters of European integration. If the prospect of further integration and the subsequent accession of the United Kingdom to the EC meant a further degradation in transatlantic ties, then European integration could no longer be considered fashionable in Washington.⁴³² However, Heath and Foreign Secretary Alec Douglas-Home soldiered on, convinced that the notion of a British commonwealth on which the sun never set was a bygone romanticism. As Home commented, “in a world of growing powers Britain has been shrinking in her influence even in comparison with those countries of like size and like potential.”⁴³³ Therefore, Britain’s best hope was to exert leadership and influence from within the vehicle of the European Community.

By the beginning of 1974, Heath seemed unphased that his opposition under Harold Wilson had increasingly designed itself as the “anti-Heath” alternative, which also, by extension, meant the anti-Europe, anti-EC, and anti-Common Market alternative. At its October all-party conference, Labor had even committed that if it were brought back to power, it would call for a general “renegotiation” of the terms of British entry to the European Community, with the result of the renegotiation submitted to a popular referendum. Most controversially this radical—perhaps even unconstitutional—suggestion called into question the role and authority of parliament, which was generally more pro-EC than the British electorate. This new Labor platform also had the all-important backing of the Trade Union Congress (TUC). With Heath maintaining his unpopular pro-Europe stance, the Labor Party’s anti-Marketeters fanned the flames of opposition. Heath, who had perhaps the greatest experience with the EC over the

⁴³¹ Edward Heath. *The Course of My Life: My Autobiography* (London: Hodder & Stoughton, 1998), 472.

⁴³² David P. Calleo. “The European Coalition in a Fragmenting World.” *Foreign Affairs* 54 (1975), 98.

⁴³³ Alec Douglas-Home. “Our European Destiny” (London: Conservative Group for Europe, 1971), 3-4.

previous decade of any leading British politician, continued to regard British entry into Europe as his principal contribution to history. However, the Labor Party refused to take up its allocation of British seats in the European Parliament and firmly opposed EC policies such as the Common Agricultural Policy (CAP), a policy that generally pushed food prices higher in a British economy that depended heavily on imports, in order to pay agricultural subsidies to European farmers. Polls showed that the average Briton on the street was noticeably less enthusiastic about the EC, being primarily concerned about the rising costs of energy and food since British entry the year before.⁴³⁴

More unpopular than ever, by the middle of January 1974 the British print and electronic media was full of rumors that Prime Minister Heath would call an early election.⁴³⁵ Politically bankrupt, if the Conservatives were to have any chance of remaining in power for the long-term, they had to hold a snap election before Britain's internal cleavages and external economic challenges reached the point of true crisis, and while the Labor Party was still divided over its official stance with respect to continued British membership in the EC. Heath hoped that wisdom would prevail in the minds of the electorate and that he would be returned with a slightly increased majority and, thus, a mandate to remain in power for an additional full five-year term. Perhaps slightly out of touch, Heath seemed to have wrongly assumed that EC membership would solve enough of Britain's economic problems to merit the difficult, and at times anti-American foreign policy led by the EC that he had pursued or at least tolerated over the previous four years. That trade off may have been safer when he had worked studiously on the first British application in 1963, but by 1974, the entire EC was facing many of the same economic

⁴³⁴ CFPF, Telegram from American Embassy London to Secretary of State, "Britain's First Year in the European Community", January 11, 1974, London 00491.

⁴³⁵ CFPF, Telegram from American Embassy London to Secretary of State, "Prospects of an Early General Election Appear Closer", January 14, 1974, London 00612.

challenges as Britain, and Heath had quickly learned that life in the EC was not nearly as rosy as he may have thought. Moreover, his cozying up to the EC came at a considerable cost to the Anglo-American alliance. This worried those observers who depended on close U.S.-UK ties, especially on defense cooperation. Speaking at the Reform Club in London on January 25, NATO Secretary General Joseph Luns noted that unless the trend of lessened British interest in close ties with the U.S. was reversed, special ties could disappear altogether.⁴³⁶ Meanwhile, all was not well on the European continent either. On January 29, German Finance Minister Helmut Schmidt suggested to the Royal Institute of International Affairs in London that the EC had found itself in its current economic crisis after positioning itself in opposition to the United States over the previous year, which resulted in taking on more than it could handle. Schmidt noted: “We wish to achieve everything too rapidly, considering the uphill task to be accomplished before solutions can be reached.”⁴³⁷

February was an even more turbulent month for Britain and the EC than January had been. First, oil quadrupled in price from \$2.50 to \$10.00 a barrel.⁴³⁸ Second, Washington hosted an energy conference of all of the major Western heads of state on February 4 to discuss rising energy costs. All EC heads of state were in attendance, except France, which sent Foreign Minister Michel Jobert, out of protest over the role it saw the American government attempting to play in European affairs. At that moment, when Europe had the opportunity to speak with one voice on such an important economic problem that affected all European economies, as it stated was one of its key objectives during the Year of Europe, the disarray in the EC was evident to

⁴³⁶ CFPF, Telegram from American Embassy London to Secretary of State, “Speech By NATO Secretary General Luns to Reform Club, London”, January 29, 1974, London 01299.

⁴³⁷ CFPF, Telegram from American Embassy London to Secretary of State, “Speech by FRG Finance Minister Schmidt on the Current State of the EC”, February 4, 1974, London 01590.

⁴³⁸ Alfred Grosser. *The Western Alliance: European-American Relations Since 1945* (New York: Continuum, 1980), 278.

all.⁴³⁹ Moreover, during the conference, Secretary of State Henry Kissinger took the opportunity to criticize the British. The Heath government, in Kissinger's view, had gone too far to please the French and show the other EC members that Britain could be a proper European partner. As Kissinger noted, "there is a feeling in this government that Heath is some kind of decadent Gaullist. The French poison everybody's well, and that's not good company to be in."⁴⁴⁰ Finally, a few days after the energy conference, the timetable for the British election was also set, for February 28. Immediate news media commentary was that the campaign would be the most bitter and divisive in living memory.⁴⁴¹ This was more than mere speculation. Both major political parties were nearly evenly divided in the House of Commons. Both projected significant numbers of open seats due to retirements, including 34 Conservatives and 26 Labor MPs, which meant that Labor needed less votes to win the general election of 1974 than the Tories needed in 1970. This was also the only general election to have ever been called in a time of emergency, considering the significant challenges that the new government would immediately face. Finally, additional uncertainty was also added to the mix because of the recent conclusion of a massive redistribution of parliamentary seats, the largest re-drawing of House of Commons constituencies since 1950. Of the 630 constituencies, major changes were made in 311, and minor adjustments were made in another 124."⁴⁴²

Meanwhile, Harold Wilson was in no mood to take the path of least resistance.

Launching the Labor Party campaign on February 12, he confirmed the rumors that he intended to make renegotiation of the British terms of EC membership a major campaign issue. Until the

⁴³⁹ Grosser, 281.

⁴⁴⁰ CFPF, Telegram from Secretary of State to American Embassy London, "News Article on US-UK Relations", February 4, 1974, State 023197.

⁴⁴¹ CFPF, Telegram from American Embassy London to Secretary of State, "British General Election: Opening Salvos", February 8, 1974, London 01817.

⁴⁴² CFPF, Telegram from American Embassy London to Secretary of State, "Background on British General Election", February 11, 1974, London 01890.

results of the renegotiation had been approved by the British electorate, he said, Britain would put an immediate stop to further integration in the European Community. In a direct attack on Prime Minister Heath, Wilson charged that Britain had been “dragooned into the Common Market on terms dictated by Monsieur Pompidou.”⁴⁴³ The Germans, carefully watching the evolution of the British election campaign, also took aim at the French, and suggested that after their poor behavior at the Washington energy conference that France should consider taking a “half in/half out” position in the EC, as in NATO!⁴⁴⁴ The general view of other Europeans was that as President Pompidou’s health continued to decline, after secretly having been diagnosed with a rare bone cancer in late 1972, the Foreign Ministry, still staffed by orthodox Gaullists, was permitted to take a tougher line in French foreign policy.⁴⁴⁵ Led by Michel Jobert, the French Foreign Minister struck back at his critics over his behavior at the U.S.-led energy conference by remarking at a press conference that the next time he sees his European colleagues, he would greet them with “*bonjour, les traitres!*”⁴⁴⁶

On polling day, February 28, 1974, many of the British electorate marked their ballots with a distinct lack of enthusiasm. With a slipping economy and rising inflation on their minds, they were forced to make a decision between two major political parties, each of whom had already had a chance in power in the past decade and had failed to improve the British economy in a lasting way. For the electorate, having heard promises from both political parties that Britain’s economic problems required additional future sacrifice and austere budgets, it was convenient to direct blame toward British membership of the EC rather than more nebulous

⁴⁴³ CFPF, Telegram from American Embassy London to Secretary of State, “General Election: Wilson Seeks to Make EC an Issue”, February 13, 1974, London 02006.

⁴⁴⁴ CFPF, Telegram from American Embassy Bonn to Secretary of State, “FRG, France and Europe: German Bitterness Intensifies”, February 14, 1974, Bonn 02461.

⁴⁴⁵ CFPF, Telegram from American Embassy Paris to Secretary of State, “Impact of Washington Energy Conference on French European and Atlantic Policies”, February 20, 1974, Paris 4444.

⁴⁴⁶ CFPF, Telegram from American Embassy Paris to Secretary of State, “Foreign Minister Jobert’s Remarks to French Deputies on WEC”, February 22, 1974, Paris 04667.

menaces such as stagflation or a growing current account deficit.⁴⁴⁷ Shortly after the polls closed at 10:00 pm, it became clear that no single party would emerge with a majority. The Labor Party emerged with a plurality, but most observers agreed that there would have to be another general election before the end of the year.⁴⁴⁸ This put the British government in an even less admirable position. Although the Conservatives polled almost 250,000 more votes than Labor (37.9 to 37.2 percent), Labor held 301 seats to the Tories' 296, with 23 additional seats spread around other parties.⁴⁴⁹ Lacking a mandate, Prime Minister Harold Wilson was forced to fill his cabinet with moderates, moderate especially in their views of the Common Market. The most ardent anti-Marketees, such as Michael Foot and Peter Shore, were given responsibility for employment and trade, respectively, keeping them at arm's length from a direct role in the negotiations over Britain's membership in the European Community. Most importantly, former Chancellor of the Exchequer James Callaghan, known for his pro-American and pro-NATO views, became Foreign Secretary.⁴⁵⁰

With that news, the American government was overjoyed. After suffering through four years of a Heath government that had prioritized closer relations with France and the EC even at the expense of relations with the United States, now a new British government had come to power that was highly skeptical of the EC and had a history at its highest levels of placing a very considerable value on close transatlantic ties. American Ambassador to London Walter Annenberg clearly saw the window of opportunity, and immediately cabled Secretary of State Henry Kissinger: "We should therefore use the time Labor has in office to do some constructive

⁴⁴⁷ CFPF, Telegram from American Embassy London to Secretary of State, "Election Day Musings", February 28, 1974, London 02592.

⁴⁴⁸ CFPF, Telegram from American Embassy London to Secretary of State, "General Election: The Morning After", March 1, 1974, London 02639.

⁴⁴⁹ CFPF, Telegram from American Embassy London to Secretary of State, "Political Deadlock", March 2, 1974, London 02686.

⁴⁵⁰ CFPF, Telegram from American Embassy London to Secretary of State, "The New Labor Cabinet", March 5, 1974, London 02781.

and persuasive work in helping to shape Labor Party attitudes on international issues against the possibility that it might later return to office with a clear majority.”⁴⁵¹ Kissinger obviously agreed, and instructed Annenberg to hand deliver a congratulatory message to Foreign Minister Callaghan that same afternoon and to request that he receive a delegation of Kissinger’s closest aides. Annenberg noted Callaghan’s response: “After reading your congratulatory message Callaghan said he was delighted. As to the second in which you offered to send Messrs. [Helmut] Sonnenfeldt and [Arthur] Hartman to meet him next week, Callaghan said ‘the answer is yes.’” With that, the thaw in the icy Heath-Nixon special relationship had already begun. In fact, word had gone out from the foreign secretary’s office that U.S.-UK relations were to have top priority in the Wilson government.⁴⁵²

The Renegotiation, Act I

While the Americans hastily sought to renew ties with the British government, on the European continent the French and Germans anxiously awaited the first public statements by Wilson and Callaghan as to the direction the new British government would take with respect to its promise to carry out a renegotiation of the terms of British entry into the European Community. This was also a brief period for soul-searching, especially in the French government, which considered that perhaps the Gaullists in the Foreign Ministry who had taken such a tough line in recent foreign policy had gone too far. The French were certainly not pleased that the Labor Party was responsible for forming the new British government, which, if it carried out its platform pledges, would likely reposition Britain closer to its traditional views on foreign policy, which included being more critical of French leadership in the European Community. Georges Soffert of the French pro-government weekly *Le Point* was the first prominent Frenchman to

⁴⁵¹ CFPF, Telegram from American Embassy London to Secretary of State, “The British General Election”, March 5, 1974, London 02785.

⁴⁵² CFPF, Telegram from American Embassy London to Secretary of State, “Messages from Secretary Kissinger to Foreign Secretary Callaghan”, March 6, 1974, London 02889.

publicly voice such concerns. In a lengthy March 4 article entitled “Is Michel Jobert Wrong?”, Suffert summarized that French Foreign Minister Michel Jobert’s strict foreign policy since he had arrived in office mid-1973 had now placed France in a difficult position. “The consequences of his obstinacy are now becoming apparent”, Suffert noted. “France is beginning again to be disliked abroad, as in the heyday of General de Gaulle.” However, for many observers of French politics, de Gaulle’s legacy made his obstinacy more forgivable. As Suffert suggested, “the General’s outbursts were more excusable than those of Michel Jobert: One was big, the other is small. That’s the whole difference.” However, despite what many of Jobert’s critics said, he was not a strict Gaullist. For example, while the General barely believed in European integration, Jobert claimed to be ardently pro-Europe. Also, while de Gaulle, had he been alive, probably would have also refused to attend the February Washington energy conference, Jobert’s objection was that the president of the European Council should have represented all of Europe. Since the presidency of the EC at the time was held by the Germans, that meant that France would have been represented by German Foreign Minister Walter Scheel! That certainly would not have been an orthodox Gaullist position.⁴⁵³

Meanwhile, the first statements from the new British government were made. To European chagrin, Foreign Secretary Callaghan reassured Labor Party supporters in a public speech on March 9 that “no advice—however well intentioned—will deter the British government from an immediate and fundamental renegotiation of the terms of entry.”⁴⁵⁴ This sentiment was then reaffirmed during the Queen’s speech a few days later, which opened the

⁴⁵³ CFPF, Telegram from American Embassy Paris to Secretary of State, “Le Point Article on Fonmin Jobert”, March 7, 1974, Paris 5836.

⁴⁵⁴ CFPF, Telegram from American Embassy London to Secretary of State, “Advice by EC Commissioner Thomson on Renegotiating the Terms of Entry”, March 11, 1974, London 03082.

new session of parliament.⁴⁵⁵ Then, very quietly, Prime Minister Wilson assembled a kitchen cabinet of selected advisors on March 13 to take a serious look at beginning the process of renegotiation. Since the EC already had an upcoming summit of agriculture ministers scheduled for March 21-22 to discuss farm prices, the British government planned to survey commonwealth countries about their views of continued British membership in the EC. At the summit, the British government would be represented by agriculture minister Fred Peart, a strident anti-Marketeer.⁴⁵⁶ Much of this was repeated by Foreign Minister Callaghan to Secretary of State Henry Kissinger's visiting delegation of Helmut Sonnenfeldt and Arthur Hartman on March 15, but with one added twist. During the first meeting between the Americans and the new Foreign Secretary, which all major British broadsheets referred to as a Kissinger *mea culpa* in order to rehabilitate Anglo-American relations, Callaghan confirmed he would undertake a renegotiation of British membership in the EC but would not leave an "empty chair" in the EC, clearly a criticism of de Gaulle.⁴⁵⁷ Callaghan also stated that he was "agnostic" over the outcome of the renegotiation process, but would ensure that British interests were defended. Specifically, these included (1) continued access to the British market by goods of third countries and (2) reducing Britain's financial contribution to the EC budget. Callaghan, noting past difficult U.S.-EC relations during the Year of Europe, stated "we are not interested in an anti-American direction."⁴⁵⁸ On Britain's contribution to the EC budget, the Foreign and Commonwealth Office (FCO) confirmed two days later that it thought British contributions to the EC's budget should be brought in line with Britain's share of EC gross national product

⁴⁵⁵ CFPF, Telegram from American Embassy London to Secretary of State, "Queen's Speech: Foreign Policy", March 12, 1974, London 03154.

⁴⁵⁶ CFPF, Telegram from American Embassy London to Secretary of State, "UK Gears Up for EC 'Renegotiations'", March 14, 1974, London 03249.

⁴⁵⁷ CFPF, Telegram from American Embassy London to Secretary of State, "British Press on Secretary's March 14 Remarks on US-European Relations", March 15, 1974, London 03298.

⁴⁵⁸ CFPF, Telegram from American Embassy London to Secretary of State, "Sonnenfeldt/Hartman Consultations with Foreign Secretary Callaghan", March 16, 1974, London 03361.

(GNP). The FCO argued that while Britain's economy represented 18 percent of the EC GNP, Britain was expected to pay 26 percent of the EC budget.⁴⁵⁹ Callaghan made these points public in his opening speech in the House of Commons on March 19, which was devoted almost entirely to the EC. He referred to the EC goal of "European union" by 1980 as "clearly unrealistic," and that the UK would firmly oppose any attempt to integrate Europe by means of a confrontation with the U.S. He also confirmed that the renegotiation would begin with the subject of agriculture, because of the decisions that needed to be taken at the March 21-22 meeting of EC agriculture ministers. Most importantly, Callaghan stated that it was British policy that if the renegotiation could not take place within the framework of the existing EC treaties and natural working order of the EC, then the British government would be forced to consider whether the treaties themselves—including the EC-founding Treaty of Rome—would have to be amended.⁴⁶⁰ Callaghan shed little light during this or other public addresses on specific British demands but predicted "a hot summer of negotiation."⁴⁶¹ Callaghan reiterated these thoughts to the eight British ambassadors to EC nations in London on March 20, where he said that although he claimed to be agnostic about the renegotiation and the EC, he thought the Community plans for further integration and economic and monetary union were "moonshine, just fancy words," and that as "a simple man", he was "interested primarily in the effect of UK membership on the British housewife."⁴⁶²

Despite such acerbic British rhetoric, the German government was for the most part sympathetic with the British position on renegotiation. Certainly this had something to do with

⁴⁵⁹ CFPF, Telegram from American Embassy London to Secretary of State, "British View on Renegotiation of Terms of Membership in European Community", March 18, 1974, London 03418.

⁴⁶⁰ CFPF, Telegram from American Embassy London to Secretary of State, "Callaghan Speech on the EC and US-European Relations", March 19, 1974, London 03454.

⁴⁶¹ CFPF, Telegram from American Embassy Bonn to Secretary of State, "Callaghan Visit to Bonn—March 21, 22", March 23, 1974, Bonn 04623.

⁴⁶² CFPF, Telegram from American Embassy Bonn to Secretary of State, "British Government's Views on Europe: Callaghan's Discussion with British Ambassadors to EC Countries", March 26, 1974, Bonn 04807.

the low point that had been reached in Franco-German relations after the recent French return to more strict, Gaullist policies. After Callaghan expressed essentially the same points to the German Foreign Office on March 21-22 that he had stated earlier on March 15 to Kissinger aides Sonnenfeldt and Hartmann, the Germans listened with sympathy and raised no fundamental objections. FCO Deputy Under Secretary Oliver Wright credited the cautious approach taken thus far by the British government for the conciliatory German response. Wright also suggested that navigating the renegotiation process was like the British Grand National, the grueling annual race infamously known for the many horses that do not finish due to injury. Like the Grand National, Wright stated, with the EC renegotiations “it was important to take the hurdles one at a time. If you thought about the second hurdle ahead, you might trip over one immediately in front of you.” More seriously however, Wright had some hope: the meeting of the EC agriculture ministers March 21-22 had gone better than the British government had expected, which confirmed for some skeptics in the government that it would indeed be possible to complete renegotiation within the EC’s normal course of operations.⁴⁶³ Finally, Foreign Secretary Callaghan formally opened the process of renegotiation with his April 1 speech to the EC Council of Ministers. The theme of this address was the undue financial burden imposed upon the UK to support the EC budget, including support to farmers on the continent.⁴⁶⁴ However, there was not much new revealed in this otherwise major speech. Callaghan for the most part followed the Labor Party’s manifesto from the February election, a course of action that must have indicated that either Wilson and Callaghan had not developed their own positions yet, or

⁴⁶³ CFPF, Telegram from American Embassy London to Secretary of State, “British Views on Callaghan Visit to Bonn”, March 26, 1974, London 03819.

⁴⁶⁴ CFPF, Telegram from American Embassy London to Secretary of State, “EC Renegotiation”, March 28, 1974, London 03905.

that they truly were as agnostic as they claimed to be.⁴⁶⁵ Finally, Callaghan stated that although the British government opposed UK membership of the EC on the current terms, he assured the EC Council that his government preferred a successful renegotiation over a withdrawal from the Community.⁴⁶⁶

The Renegotiation, Act II

Then, on April 2, 1974, came the first in a series of events that helped to calm the secessionist rhetoric of the British government, as well as allow the European Community more flexibility in its negotiations intended to retain Britain as a member of the EC: the death of French President Georges Pompidou. The German Foreign Office was the first to speculate that Pompidou's death would produce a "cooling off period" which may expose the new British government to "some of the realities in Europe" and help to temper the initial sharp demands for renegotiation.⁴⁶⁷ Meanwhile, Britain also received timely encouragement from its allies.

Although the American government was very pleased thus far with the initial Labor efforts to ameliorate Anglo-American relations, the American Embassy in London noted that "at the same time, we should encourage Britain to view its ties with the U.S. as complimentary to, not a substitute for, its ties with the EC. If Britain remains in the Community, it would be a force for closer U.S.-EC cooperation." This communication from the Embassy was also the first glimpse at American doubt over the role of a United Kingdom that could potentially be alone, outside the EC:

We also have an interest in preventing a withdrawal that could precipitate a general unraveling of West European relationships, involving the partial or total disintegration of the EC, the revival of rivalries between NATO members, the growth of Nordic neutralism, and various other developments inimical to the preservation of a strong Western alliance. A special relationship

⁴⁶⁵ John Pinder. "Renegotiation: Britain's Costly Lesson? *International Affairs* 51.2 (April 1975), 153-154.

⁴⁶⁶ CFPF, Telegram from American Embassy London to Secretary of State, "Callaghan Speech to the EC Council on Re-Negotiation", April 1, 1974, London 04086.

⁴⁶⁷ CFPF, Telegram from American Embassy Bonn to Secretary of State, "Europe in Aftermath of Pompidou Death: Initial FRG Views", April 3, 1974, Bonn 05429.

with an introspective Britain, cast adrift from Europe and operating from a contracting economic and military base, would be of dubious value to the United States.⁴⁶⁸

Meanwhile, the Germans went even further in encouraging the British government to remain in the EC, even at this early stage of the renegotiation. During Foreign Secretary Callaghan's visit to Bonn on March 21, he had a private discussion with Chancellor Willy Brandt. Although there is not a record of this meeting, Brandt apparently reassured Callaghan that the German government would support the British renegotiation, but on the condition that "Britain would not spring additional demands late in the negotiations." This was a risky assurance by Brandt, unless of course he had advance notice from the French of the French president's anticipated final decline. Otherwise, he probably no longer had sufficient influence to restrain the French government during the renegotiation process, during which the French could be expected to be very critical of the British demands. Most intriguing of all was that the leak that Brandt had made such an assurance to Callaghan was not by a German Foreign Office source, but from the Dutch Foreign Minister, Max van der Stoep. Apparently the EC, less France, had already come to terms with the British renegotiation demands and was actively working to determine a position that it could live with, with or without the French. This was a process full of intrigue, which was magnified further by such events as the death of French President Pompidou and the jockeying for influence in the EC that began immediately thereafter. The U.S. Embassy in London, which had observed this process very closely, commented: "Our own view is that Callaghan is engaged in an extraordinarily complicated and delicate operation designed to hold in line both pro- and anti-Marketees in the Labor Party, at least until the next general election. No one knows where

⁴⁶⁸ CFPF, Telegram from American Embassy London to Secretary of State, "Reflections on US-UK Relations and EC Renegotiation", April 5, 1974, London 04301.

his real sympathies lie or which way he is likely to go when the crunch comes.”⁴⁶⁹ This was not a particularly principled approach by Wilson and Callaghan, but it was politically brilliant: in the midst of such turbulence, the EC had no choice but to make early concessions as long as Wilson and Callaghan’s indifference to the whole process was believable.

Of course, the French had a different opinion. Although the official beginning of the renegotiation specifics were delayed due to the death of Pompidou and then at least until new French elections could be held, the media was full of comment on both sides of *la Manche*. The *Financial Times* commented on April 5 that the “death of President Pompidou and Foreign Secretary Callaghan’s speech April 1 on renegotiating terms of entry have brought Europe to a period more dangerous and confused than any since the mid-50s. Weak or uncertain governments in Britain, France and Germany; nationalist bickering, menacing external pressures, both economic and military, weak American government and energy crisis create a backdrop for last act of Gotterdammerung.”⁴⁷⁰ In fact, after the death of Pompidou, many British political observers concluded that Britain would surely withdrawal from a disjointed EC. Commentators such as Frank Giles of the *Sunday Times* referred to Callaghan’s prospects for a successful renegotiation as “a man trying to set up a fried bacon stall outside a synagogue.”⁴⁷¹ Moreover, the French were no less vocal on the subject. Foreign Minister Michel Jobert was clear in his disapproval of the whole renegotiation process, refusing to refer to it using the word “renegotiation”, and suggested that “the EC should not have to buy this horse twice.”⁴⁷²

Moreover, he concluded that despite the death of Pompidou European development could

⁴⁶⁹ CFPF, Telegram from American Embassy London to Secretary of State, “Renegotiation Among Fraternal Socialists”, April 5, 1974, London 04358.

⁴⁷⁰ CFPF, Telegram from American Embassy London to Secretary of State, “‘Financial Times’ on Timing of Renegotiation and Next Election”, April 5, 1974, London 04363.

⁴⁷¹ CFPF, Telegram from American Embassy London to Secretary of State, “Pessimism Over EC Renegotiation”, April 8, 1974, London 04406.

⁴⁷² CFPF, Telegram from American Embassy Paris to Secretary of State, “Views of French Official on UK Renegotiation”, April 10, 1974, Paris 08879.

continue without the United Kingdom: “This had already been done once, and England decided to take the train already in motion, moreover, with a reduced ticket and with a preferential tariff.”⁴⁷³ However, the disintegration of Europe could not have been clearer during a meeting on April 22 of the EC foreign ministers. British Foreign Secretary Callaghan conceded he was not opposed in principle to the idea of a “European union”, but he claimed he still did not know what that meant. When he asked his colleagues to define the concept and subsequently asked several specific questions, it was clear that no one really knew exactly what it meant. German Foreign Minister Walter Scheel, who had been present at the October 1972 Paris Summit during which then President Pompidou had created the term, admitted that “even the fathers of the phrase do not know exactly what it means.”⁴⁷⁴

Next, there was yet another setback for the EC. On May 6, German Chancellor Willy Brandt resigned after his Social Democratic Party refused to stand by him in the aftermath of an East German spy scandal. That brought Helmut Schmidt to power, which was a notable turning point not just for the renegotiation of British membership of the EC but as a capstone to a new generation of leaders that had recently come to power and the different views of the future of Europe that they brought with them. Only months earlier, Europe had been full of pro-EC leaders: Heath, Pompidou, and Brandt. Now, it was an ambivalent, or worse, Wilson, Schmidt, and French elections were scheduled to be held later in the month. The British FCO began to panic. What did this turn of events mean for earlier assurances that Germany would support renegotiation? The day after Brandt’s resignation, the FCO North American Department, led by Lord Nicholas Gordon-Lennox, was urgently in touch with the U.S. Embassy in London to make

⁴⁷³ CFPF, Telegram from American Embassy Paris to Secretary of State, “Jobert Statement on French Foreign Policy”, April 17, 1974, Paris 09329.

⁴⁷⁴ CFPF, Telegram from American Embassy Bonn to Secretary of State, “EC Foreign Ministers Weekend Discussions at Schloss Gymnich—April 20-21”, April 23, 1974, Bonn 06405.

a request that American thoughts on the current situation were welcome at the earliest possible moment. Generally more pro-EC than Wilson or Callaghan, the working level of the FCO sought assurance from the United States that it still officially supported European integration, especially while “the Foreign Secretary, who will play a key role in the decision on British membership in the Community, is still forming his own views about the validity of European unity and British cooperation with the continent.”⁴⁷⁵ Like Callaghan, newly installed German Chancellor Schmidt and Foreign Minister Hans-Dietrich Genscher were expected to place more emphasis on close ties with the United States than with the European Community. As the U.S. Embassy in Paris commented, there was “a general sense that Europe is coming apart at the seams.”⁴⁷⁶

However, opportune for Britain, the previous focus of the press on British renegotiation now shifted to the domestic political changes in France and Germany. Wisely, the British government realized this, as evident by the decisions taken by the government cabinet subcommittee, the European Community Strategy Committee, to postpone the government’s renegotiation proposals until the June 4 meeting of the EC Council of Ministers.⁴⁷⁷ The government had chosen to adopt a more moderate approach and attempted to not fan the flames in the EC caused by recent European political turbulence, especially the sharp remarks that had been exchanged between presumably outgoing French Foreign Minister Jobert and the new German government. In fact, Jobert wasted no time criticizing the pro-Washington views of new Chancellor Helmut Schmidt, noting during an interview with *France Soir* the “customary rudeness” of the German minister’s remarks during the February Washington energy conference.

⁴⁷⁵ CFPF, Telegram from American Embassy London to Secretary of State, “Interest in US Views on European Unity”, May 7, 1974, London 05671.

⁴⁷⁶ CFPF, Telegram from American Embassy Paris to Secretary of State, “Brandt’s Resignation: Preliminary View from the French Perspective”, May 9, 1974, Paris 11318.

⁴⁷⁷ CFPF, Telegram from American Embassy London to Secretary of State, “EC Renegotiation”, May 8, 1974, London 05741.

Schmidt was likewise happy to respond. “Mr. Jobert can speak of my rudeness, it doesn’t embarrass me,” he retorted. “I am surprised that he called it ‘customary’ as Mr. Jobert does not know me. If you want to know what people think of me, ask Mr. Giscard d’Estaing or Mr. Michel Debre. They are the friends I have in France.”⁴⁷⁸ Then, a few things started going Britain’s way. Valery Giscard d’Estaing was elected on May 19 as the next President of France. He was expected to be much less ideological about his approach to the EC, unlike the Gaullists or Michel Jobert. In fact, Giscard d’Estaing was expected to be similar in his approach to the EC, relations with the United States, and the problem of British renegotiation as, say, German Chancellor Helmut Schmidt was known to have been. Schmidt had never been pro-Europe in the sense that Jean Monnet had been, or even as Willy Brandt or Walter Scheel had been. In fact, during Schmidt’s first government declaration as Chancellor he was decidedly cool on the subject.⁴⁷⁹

While this posturing was going on in Europe, the Wilson government spent some time doing a little soul-searching of its own. The British government did carry out its survey of all of the commonwealth nations to gauge whether it remained in their interests for the United Kingdom to stay in the EC. This was one of the major points of negotiation during British accession in 1972-1973. A favorite quip of the anti-Marketeers had always been that Britain had severed its international influence by choosing the EC over the commonwealth. However, surprisingly, all commonwealth nations—with the exception of Swaziland and Fiji—stated that they were not interested in going back to the old commonwealth, and that they preferred that Britain remain in the EC. In fact, rather than expressing concern that their economies had been

⁴⁷⁸ CFPF, Telegram from American Embassy Paris to Secretary of State, “Brandt’s Departure and the French Press”, May 9, 1974, Paris 11327.

⁴⁷⁹ CFPF, Telegram from American Embassy Bonn to Secretary of State, “The Schmidt Government: A Preliminary Assessment of Domestic and Foreign Policy Problems and Prospects”, May 24, 1974, Bonn 08287.

damaged when their exports had lost preferential access to the British economy upon British entry to the EC, they stated that they had found new markets for their goods, and that they liked that they could count on Britain to be a friendly force within the EC.⁴⁸⁰ Even while this survey of commonwealth nations was reassuring for the British government, sadly Gallup public opinion polls as of early June were not. The polls showed that, hypothetically, if at the outcome of the renegotiation the British government recommended a negative vote on the referendum, the measure would have failed. On the other hand, the polls showed that if the government supported a referendum vote to remain in the EC, they would be supported by the leadership of the opposition, business representatives, and most of the media, but there would still be a real risk that it would fail anyway. The electorate simply remained unconvinced, as shown by the 51 per cent of those questioned who thought it had been a mistake for Britain to have joined the EC. Only 33 per cent thought it had been right to do so.⁴⁸¹

At the June 4 EC Council of Ministers, now that French President Giscard d'Estaing was installed in office, the British government could officially begin renegotiation discussions within the official framework of the EC. The French and Germans got together the weekend before to prepare the way. Apparently, the French refused to discuss the British problem in the EC as long as the word "renegotiation" was used, since this term suggested revisiting a matter that had been, at least at that time, satisfactorily concluded. German Foreign Minister Genscher came to an agreement with French Foreign Minister Sauvagnargues that a study be drawn up within the framework of the EC that addressed possible outcomes to the British problem and avoided using

⁴⁸⁰ CFPF, Telegram from American Embassy London to Secretary of State, "EC Renegotiation—Commonwealth Trade", May 30, 1974, London 06756.

⁴⁸¹ CFPF, Telegram from American Embassy London to Secretary of State, "Prospects for EC Renegotiation", June 4, 1974, London 06973.

the word “renegotiation”, preferring instead “the correcting mechanism.”⁴⁸² Also, the French and Germans were not the only governments to meet secretly before the important summit, the first to be attended by the three new heads of state. In fact, the Germans and British also met the evening before, on June 3. There the British were told that Foreign Secretary Callaghan’s address to the EC Council on his proposals for British renegotiation would be the major item on the agenda. Callaghan was also cautioned to cool the caustic rhetoric that he was accustomed to using when speaking to a domestic audience about renegotiation and the EC. On June 4, after Callaghan delivered his address, French Foreign Minister Savary was, as expected, characteristically critical, which led the British to conclude that the French may still impose a veto on the renegotiation process, but in the end, he announced that he was in favor of the German suggestion for an EC-sponsored study that would study the problem and make projections through 1980. Considering that in the days before the summit, the French position was to deny that the British even had a legitimate complaint about their contributions to the EC budget or any other aspect of their membership of the EC, this was a breakthrough.⁴⁸³ British demands remained unchanged, including a general review of the CAP that included significant changes in subsidy levels and the products targeted for support. And second, the British demanded that their contribution to the EC budget be substantially reduced, and that this should happen as a result of revisiting the formula for determining contributions. British projections showed that while their budget contribution was expected to be 300-350 million u.a. in 1975, it was to rise to 700-800 u.a. in 1980.^{484 485}

⁴⁸² CFPF, Telegram from American Embassy Bonn to Secretary of State, “EC Renegotiation”, June 5, 1974, Bonn 08926.

⁴⁸³ CFPF, Telegram from American Embassy London to Secretary of State, “British View of EC Council of Minister’s Meeting June 4”, June 6, 1974, London 07087.

⁴⁸⁴ At the time of these projections, a European unit of account (EUA), the forerunner to the European currency unit (ECU) and thus the Euro (EUR), was worth approximately \$1.20635 per EUA. The EUA came into being June 1974 and was equal in value to the previous SDR (Special Drawing Right). The value of the SDR/EUA was equal to one

The British government emerged from the summit of June 4 encouraged. Roy Hattersley, Minister of State at the FCO believed that the prospects for a successful renegotiation were very good, and for several reasons. First, he said that the British demands were consistent with the EC treaties, which allowed for any member nation to recommend adjustments to the functioning of the EC if such operations ever could be proven to have caused an undue financial burden on a member nation. Second, he believed there was a sufficiently strong commitment among states like Germany to keep Britain in, and he argued that it was in British interests to stay in the EC. Third, he noted that there was no practical alternative for Britain. There was no going back to the old commonwealth, or a European Free Trade Agreement (EFTA) type of an arrangement. And, finally, with the British government's paramount concern of maximizing its influence in the world, the FCO was agreed at the highest working levels that this could best be done within the framework of the EC rather than going it alone.⁴⁸⁶ The German government also lost no chance to encourage the British government following the June 4 summit, as seen by the four hour private meeting between Foreign Minister Genscher and Foreign Secretary Callaghan at the latter's Dorneywood estate on June 15. At the conclusion of the meeting Callaghan stated that he was not only no longer opposed to European political cooperation, but "very much in favor" of it.⁴⁸⁷ It certainly did not hurt that the Germans shared many of the British criticisms of the EC, especially of the CAP, which had recently been somewhat splintered by the increasing number of floating European currencies since the beginning of 1974.⁴⁸⁸ Finally, when the American Embassy in Bonn was briefed after a two-and-a-quarter hours long private meeting between

U.S. dollar until the dollar was devalued in December 1971 and subsequently floated in 1973, which caused the SDR/EUA to rise in value against the dollar.

⁴⁸⁵ Pinder, 160-161.

⁴⁸⁶ CFPF, Telegram from American Embassy London to Secretary of State, "EC Renegotiation: Views of Roy Hattersley", June 13, 1974, London 07474.

⁴⁸⁷ CFPF, Telegram from American Embassy Bonn to Secretary of State, "Callaghan-Genscher Meeting June 15", June 19, 1974, Bonn 09737.

⁴⁸⁸ Pinder, 156-157.

Chancellor Helmut Schmidt and Prime Minister Harold Wilson on June 19, the Embassy learned that Wilson, despite claiming neutrality on the renegotiation issue, “was positive and quite optimistic on renegotiation”, and that because of the good beginning that had already been made, the British government had no intention of recommending changes to the Treaty of Rome.⁴⁸⁹

Meanwhile, in Paris, concerns centered on how the French government would proceed next on the “correcting mechanism”, especially now that the French held the rotating presidency of the EC Council for the remainder of the year. On a visit by Belgian Prime Minister Leo Tindemans to Paris on July 1-2, it was obvious to him how much different the tone of the Giscard government was as compared to that under Georges Pompidou. First, Giscard saw the February Washington energy conference as a turning point in French foreign policy. He believed that the energy crisis of 1973-1974 was the most serious threat to French economic interests in recent years. Likewise, he saw that the preservation of the now threatened CAP and the EC tariff regime, in a French economy that depended on exports to the EC, was of vital national interest. Thus, Giscard believed pragmatically that the sooner the issue of British renegotiation could be over the better, so that these more serious reforms could be addressed. In other words, why hassle with the British in the short term while the renegotiation held up much more critical longer term considerations? Most of all, unlike Pompidou and Jobert—who were closer to the de Gaulle belief of avoiding blocs, Giscard was not interested in creating an EC hostile to the United States, and he made it a goal to hold a major summit on these matters during the French term of EC Council leadership.⁴⁹⁰

⁴⁸⁹ CFPF, Telegram from American Embassy Bonn to Secretary of State, “Meeting of June 19 Between Chancellor Schmidt and Prime Minister Wilson”, June 21, 1974, Bonn 09850.

⁴⁹⁰ CFPF, Telegram from American Embassy Paris to Secretary of State, “French European Initiative”, July 10, 1974, Paris 16194.

The French also sought to communicate this more conciliatory attitude to the Germans and the British. During the first Franco-German summit between President Giscard and Chancellor Schmidt, on July 8-9, since the resignation of Willy Brandt and the death of Georges Pompidou, which was hardly a friendship worth preserving given the condition it was then in, the French and Germans found common ground in pursuing common economic policies that fostered stability in the EC. Although both sides had criticisms of the CAP, they agreed that the policy was beyond the “point of no return” and that it had to be preserved. There were also disagreements—in a summit notably conducted in English—as to which products benefitted more from the CAP subsidies, but they both agreed that generally higher food prices were good for both domestic economies.⁴⁹¹ This positive atmosphere carried over into the first official meeting between Prime Minister Wilson and French President Giscard about a week later, on July 18-19. Although Prime Minister Jacques Chirac was not thrilled with the meeting called at British initiative, Wilson and Foreign Secretary Callaghan sought to allay French concerns over British intentions during the renegotiation. The French government, meanwhile, mostly led by Foreign Minister Sauvagnargues, was very firm that the Treaty of Rome not be modified, and that the French were not willing to “renegotiate” British entry into the EC.⁴⁹² However, the British were pleased with the results of the visit to Paris. Neither side was expecting any great result, since the meeting’s intent was more an opportunity to feel out the other side’s views on a variety of topics of mutual interest, even though most of the agenda centered on British renegotiation.⁴⁹³ Neither side was prepared to get into any difficult discussions knowing that the

⁴⁹¹ CFPF, Telegram from American Embassy Bonn to Secretary of State, “July 8-9 Franco-German summit”, July 10, 1974, Bonn 10941.

⁴⁹² CFPF, Telegram from American Embassy Paris to Secretary of State, “Anglo-French Summit, July 19”, July 22, 1974, Paris 17810.

⁴⁹³ CFPF, Telegram from American Embassy London to Secretary of State, “British Views on Anglo-French Summit, July 19”, July 25, 1974, London 09446.

lame duck British government faced another parliamentary election that would probably produce a new government with a surer mandate to negotiate on such issues.⁴⁹⁴

Upon returning from August recess, it was well into election season again, with the date of the second 1974 British general election fixed for October 10. Both the French and Germans lobbied the British in the hopes that their efforts would produce a more desirable election outcome, with Giscard hosting a “summit dinner” on September 14. In the run up to the British election, the German government played a very complicated game with the French president. They went very far to agitate the Franco-German *cordiale entente* as well as EC cooperation, perhaps to compel the French into talking more with the British. After all, if all was well in the EC and Franco-German relations, then the French had little incentive to talk with the British, since European cooperation could then obviously proceed without them. During September, while Wilson and Callaghan were already not Giscard’s favorite people, German Chancellor Schmidt even suggested a second set of renegotiations, for the CAP. Specifically, he suggested holding “a second Stresa”, a reference to the Italian city where the CAP has been originally drawn up, in 1958. By this comment, the French Ministry of Foreign Affairs had concluded that Schmidt—already known to all as no fan of the CAP—wanted “to tear up the CAP and start all over again.”⁴⁹⁵ Closer to home, British opinion polls showed a Labor lead going into polling day. An increasingly desperate Conservative Party under Edward Heath went as far as to have suggested on October 6 that he would be willing to create a national coalition government with the Labor Party.⁴⁹⁶ However, the likelihood that the two old rivals—former Prime Minister

⁴⁹⁴ CFPF, Telegram from American Embassy Paris to Secretary of State, “Anglo-French Summit, July 19”, July 26, 1974, Paris 17810.

⁴⁹⁵ CFPF, Telegram from American Embassy Paris to Secretary of State, “Views of French Official on EC Developments”, September 19, 1974, Paris 22144.

⁴⁹⁶ CFPF, Telegram from American Embassy London to Secretary of State, “General Election: Three Days to Go”, October 7, 1974, London 13030.

Edward Heath and current Prime Minister Harold Wilson—could somehow form a government together seemed unlikely to most observers. The American government, meanwhile, was preparing for every possible outcome of the election—labeled the most important since 1945—thinking first and foremost about maintaining the recently improved Anglo-American special relationship. The American Embassy in London recommended “in a discreet and appropriate way” to make “unmistakably clear” to the British government that the United States preferred to see Britain remain in the EC, which was also seen to serve American interests. In fact, the alternative—Britain leaving the EC on hostile terms—was seen to be a grave scenario:

If Britain opts out of Europe, the U.S.-UK relationship could become lop-sided and a drain on the U.S. Adrift from Europe, a progressively enfeebled Britain would find it hard to avoid becoming internationally irrelevant. The U.S. could not gain from such an outcome.

Britain, the American government argued, had in fact benefitted from EC membership. No further proof of this was needed than the fact that Prime Minister Wilson had after careful study moved from his agnostic view of the EC to “qualified acceptance of British membership.” And, not only did Britain gain from affiliation with the markets of Europe, but so did the United States. Britain during the Wilson government came the closest of any EC nation to representing American interests by proxy in the Community, with shared views on NATO, the role of the United States forces stationed in Europe, trade and tariffs, and more generally on broader foreign policy questions. Without Britain in Europe, the American government believed that “its withdrawal though would set in motion an unraveling of the entire structure of Atlantic cooperation.” Finally, the American Embassy concluded, “if the British people...opt for a little England solution, it is hard to see how this country can avoid slipping into international irrelevance. In such circumstances, the United States would have to reflect very carefully

whether we would wish to carry on any kind of close (let alone ‘special’) relationship which would become an increasingly lop-sided and probably unacceptable burden.”⁴⁹⁷

The Renegotiation, Act III

There was also no shortage of rhetoric on the other side of the Atlantic. Following the British election that turned out just as the polls had predicted, a slight majority for the Labor Party, the new House of Commons sat with 319 Labor and 277 Conservative MPs, with 39 additional MPs spread across other political parties. Prime Minister Wilson got the mandate he wanted, even if he would have to work hard to control deep divisions in his own party. Secretary of State Henry Kissinger acted quickly to speak about the state of the world following the British election. In a James Reston *New York Times* article on October 13 entitled “Kissinger Sees the World on Verge of Historic Era”, the Secretary of State spoke out just weeks after President Ford had pardoned former President Nixon over Watergate about what he believed was then “one of the great periods of human creativity”. Speaking about the foreign policy legacy of the Nixon administration, Kissinger noted, “what I regret is that so much of the time had to be spent on the Vietnam War. If we could have got that behind us more rapidly, we could have brought the more positive side of our foreign policy (to the fore) at a time when attitudes were less rigidly formed.” While the Vietnam War was certainly an issue that had caused prolonged tension in transatlantic relations, Watergate also prevented the American government from taking its desired course in foreign policy while it had come under increasing scrutiny by Congress. As Kissinger noted, “The real tragedy was Watergate, because I believe that at the beginning of President Nixon’s second term, we had before us—due to changing conditions—a period of potential creativity. Instead, we had to spend almost all of our energy in preserving what existed, rather than building on the foundations that had been laid. Even the Year of Europe could have

⁴⁹⁷ CFPF, Telegram from American Embassy London to Secretary of State, “A Declining Britain and the Anglo-American Relationship”, October 8, 1974, “London 13098.

gone differently in a different environment. But you never know what opportunities may have been lost.”⁴⁹⁸ Prime Minister Wilson certainly saw the opportunities before him after being returned to power with an enhanced majority. He believed that his small edge in the House of Commons would enable him to restrain the left wing led by the anti-Marketees through the process of the renegotiation and the referendum that was intended to follow.⁴⁹⁹ The French remained skeptical. Jean Dufourcq, Deputy Director for Western Europe at the French Ministry of Foreign Affairs concluded that it was too early to tell what the outcome of the British election would be until the British government publicly declared whether it intended to remain in the EC or not.⁵⁰⁰ Finally, retiring American Ambassador to London Walter Annenberg had his own views. Although, Annenberg noted, “there was a perceptible disposition to diverge from the United States during the Conservative government” the recent October election that returned the Labor Party to power with a small majority in the House of Commons “should ensure the maintenance of easy, constructive relations with the United States.” Annenberg cautioned the State Department, though, that Britain was a nation with “little sense of direction or national purpose” after the political turbulence that had begun in the mid 1960s and had led to the current crisis. Annenberg argued that the root of the problem was that the nation had not yet decided whether it saw its future within or without the European Community. Speaking to a State Department that had become skeptical about European integration after the low point in Anglo-American relations between President Nixon and Prime Minister Heath, Annenberg concluded that “continued British membership of the European Community, in my view, is vital to Britain.

⁴⁹⁸ CFPF, Telegram from Secretary of State to American Embassy Cairo, “Press Material”, October 13, 1974, State 226130.

⁴⁹⁹ CFPF, Telegram from American Embassy Bonn to Secretary of State, “FRG Reaction to British Election Results”, October 16, 1974, Bonn 16251.

⁵⁰⁰ CFPF, Telegram from American Embassy Paris to Secretary of State, “French Reaction to UK Elections”, October 23, 1974, Paris 25013.

It is also in the interests of the United States. In Europe, Britain will help promote the kind of open, cooperative relationships which we wish to see with Western Europe. British withdrawal, however, would undermine our policy in Europe and weaken the common defense.”⁵⁰¹

With the British government returned to power and renewed in its sense of purpose, the Germans immediately turned their attention to resolving the British renegotiation deadlock. On November 20, former Chancellor Willy Brandt made a then controversial suggestion that set a future pattern for EC integration and enlargement. His suggestion was that rather than scrapping either existing or proposed EC policies when trouble arose when trouble arose for one or more nations that were not ready to take part—such as a common currency, a customs union, or the CAP—those countries that were ready to press ahead should do so, and the abstaining nations should catch up later. Brandt intended this to be a compromise plan at times when the EC found itself in stalemate, speaking specifically to the recent economic troubles of Italy and the imposition of domestic preferential tariffs that the EC found illegal. However, given the timing with the British renegotiation, the French reacted as though Brandt was proposing a mechanism whereby Britain could opt out of future EC initiatives as it chose to do so. The French concluded that to accept the principle that various parts of the EC should move toward integration at different speeds was hardly compatible with the concept of an increasingly united Europe.⁵⁰² Brandt’s speech even caused some concern for Germany after it became known that his written text was approved by the Chancellery before delivery, even if the government did not officially comment on the substance of the speech. When directly questioned whether Chancellor Schmidt had seen the text in advance, in nuanced language Foreign Office spokesman Otto von der

⁵⁰¹ CFPF, Telegram from American Embassy London to Secretary of State, “For the President and the Secretary: United States Relation with the United Kingdom—Ambassador’s Retrospective”, October 23, 1974, London 13818.

⁵⁰² CFPF, Telegram from American Embassy Paris to Secretary of State, “Brandt’s Speech on Europe’s Future”, November 20, 1974, Paris 27778.

Gablentz did not deny that the Chancellor had read it in advance. However, in light of the French reaction, the German spokesman to some degree defended the former Chancellor by noting that his objective was not to destroy the EC but to “find ways of providing enough flexibility in the Community so that the speed of the convoy would not always be determined by the slowest ship.”⁵⁰³ Meanwhile, although the current German Chancellor, Helmut Schmidt, did not comment on the French reaction to Brandt’s speech, he did himself speak at a British Labor Party fraternal socialist event held on November 30. Even though Schmidt was threatened that if he raised the issue of the Common Market or British renegotiation during his speech that the Labor Party anti-Marketees would stage a massive walk-out, he did so anyway, and to great applause. Defending his position, Schmidt stated “what I really to say—even at the risk of a walk-out—is that your comrades on the continent want you to stay, and you will please have to weigh it. Your comrades on the continent believe that it is in their interests as well as in yours, too.”⁵⁰⁴

The French government was also busy on the matter of British renegotiation in the immediate post-election period, which they continued to call the “correcting mechanism.” French President Giscard had recently called for an EC heads of state summit in Paris for December 9-10, 1974, during which the major topic of discussion was expected to be the British renegotiation. This kept with Giscard’s wishes that the French would hold a major summit as a capstone to the French presidency of the EC during the second half of 1974. Taking a more conciliatory tone, Giscard had even invited Prime Minister Wilson to Paris, on December 3, for an opportunity to seek each other’s latest thoughts on renegotiation as well as determine what

⁵⁰³ CFPF, Telegram from American Embassy Bonn to Secretary of State, “FRG European Policy and the Proposals of Willy Brandt”, November 23, 1974, Bonn 18270.

⁵⁰⁴ CFPF, Telegram from American Embassy London to Secretary of State, “Labor Party Conference: Schmidt Urges Continued British Membership in EEC”, December 2, 1974, London 15679.

could be reasonably achieved during the upcoming summit.⁵⁰⁵ In the process of this pre-summit positioning, the German government had already made a major concession: the Germans agreed to the creation of an EC regional fund, as proposed by the EC Commission, which would aid developing areas of the EC and which Britain would be a major beneficiary, while Germany would not. This German gesture pleased both the British and the French, but Giscard still sought assurance before the upcoming summit that the British government was determined to remain in the EC before additional concessions were made. The French would not tolerate a situation in which the EC painstakingly reached a compromise with the United Kingdom only to have the whole plan voted down by the British government after the summit was over. Also, although the British claimed they were within their rights to use the “Luxembourg Compromise”, which was a reference to former French President Charles de Gaulle’s insistence that he had a right to veto EC decisions that conflicted with vital French national interests, British Prime Minister Harold Wilson was unanimously told that he did not have that right. The EC had made it clear that retaining the 1966 precedent would hopelessly weaken the EC, and that the other EC nations would not tolerate remaking the office of the British Prime Minister into “a kind of latter-day de Gaulle.”⁵⁰⁶

At the Paris summit which included the EC heads of state and EC Commission President Francois-Xavier Ortoli, on December 9-10, German Chancellor Helmut Schmidt took on the role of “providing push” in the triangular relationship between himself, Wilson, and Giscard. It was clear to the smaller EC nations that these three nations had choreographed their positions in advance, where during the summit an interim agreement was made between the French and

⁵⁰⁵ CFPF, Telegram from American Embassy Paris to Secretary of State, “Wilson-Giscard Meeting December 3”, December 3, 1974, Paris 28885.

⁵⁰⁶ CFPF, Telegram from American Embassy Bonn to Secretary of State, “FRG Views on EC Summit”, December 4, 1974, Bonn 18762.

Germans on the EC regional fund and the British agreed to more flexible voting procedures.⁵⁰⁷ Freeing up the voting issue allowed the rest of the EC to move forward, over British disagreement, with the requirement that EC parliamentarians be elected no later than 1980, finally transitioning the EC legislature away from an all-appointed body. The make-up of the regional fund was also worked out. It would take effect beginning January 1, 1975, and be endowed with 300 million u.a. in 1975, and 500 million additional u.a. for each of the years 1976 and 1977. The fund itself was not a point of controversy, but who would pay for it was. In a major concession by the Germans, payments to the fund would be based on national GNP, while the major beneficiaries of the fund were France at 15 percent, Italy at 40 percent, and the United Kingdom and Ireland at 34 percent combined. The remainder was spread over the remaining countries, including Germany which would receive 6.4 percent. Most importantly, the EC recognized Britain's right to renegotiate its terms of membership. In the official report of the summit, it was agreed that "if unacceptable situations were to arise [for an EC nation], the very life of the Community would make it imperative for the institutions to find equitable solutions." Therefore, the institutions of the Community, including the Council and the Commission, were tasked with developing:

...a correcting mechanism of a general application which, in the framework of the system of 'own resources' and in harmony with its normal functioning, based on objective criteria and taking into consideration in particular the suggestions made to this effect by the British Government, could prevent during the period of convergence of the economies of the Member States, the possible development of situations unacceptable for a Member States and incompatible with the smooth working of the Community.⁵⁰⁸

The mood about the prospects of concluding a successful British renegotiation was more positive than ever in the EC following the Paris summit. The Schmidt-Wilson-Giscard chemistry

⁵⁰⁷ CFPF, Telegram from American Embassy Paris to Secretary of State, "EC Summit: The View From Paris", December 6, 1974, Paris 29347.

⁵⁰⁸ *Meeting of the Heads of Government, December 9-10, 1974* (Brussels: Bulletin of the European Communities, No. 12, 1974).

was credited for clearing the way for progress on the regional fund and UK renegotiation. However, a key element that would determine the long term success of the summit was whether Wilson would drop his alleged neutrality and openly support continued British membership in the EC.⁵⁰⁹ Even the French government was satisfied at the outcome of the summit, and believed that conditions had been created whereby Britain could remain in the EC, in a reversal of the previous French position. It was also clear that Germany had done much of the legwork on the summit communiqué language.⁵¹⁰ As a result, German Foreign Office spokesman von der Gablentz noted to the U.S. Embassy in Bonn that Wilson was now in a good position to move ahead with renegotiation and, if he got something halfway respectable, to recommend it to the British people.⁵¹¹ However, despite a successful summit, Wilson still had problems at home. In the weeks that followed the Paris summit, the anti-Marketeer wing of the Labor party, led by Tony Benn, shifted its key argument to one that continued British EC membership was an unacceptable loss of national sovereignty. Roy Hattersley, third in rank at the FCO, struck back and chided Benn and the anti-Marketeers and their pursuit of “a Victorian chimera” in which Britain ran the world from London. Hattersley argued that the pooling of sovereignty in the EC actually yielded more, not less, economic strength and greater power to influence decisions taken abroad that affect Britain’s vital interests.⁵¹²

The Referendum on EC Membership

Once the Paris summit was concluded successfully, talk of the eventual British referendum began. During an EC Council of foreign ministers meeting in Brussels on January 20,

⁵⁰⁹ CFPF, Telegram from American Embassy Paris to Secretary of State, “EC Summit: An Initial Analysis”, December 11, 1974, Paris 29779.

⁵¹⁰ CFPF, Telegram from American Embassy Bonn to Secretary of State, “FRG Economic Officials Consider Paris Summit Modest Success”, December 12, 1974, Bonn 19160.

⁵¹¹ CFPF, Telegram from American Embassy Bonn to Secretary of State, “German Assessment of EC Summit”, December 12, 1974, Bonn 19158.

⁵¹² CFPF, Telegram from American Embassy London to Secretary of State, “EC Membership: Sovereignty Issue”, January 7, 1975, London 00219.

1975, the British government reiterated its desire to make progress as quickly as possible with renegotiation so that firm plans could be made for the referendum. The hope was that renegotiation could be nearly resolved by the next EC Council heads of state meeting scheduled for March 10-11.⁵¹³ However, there were a few steps that Wilson had to complete at home before then. First, the Labor Party announced that it would introduce the legislation that would permit a referendum on renegotiation to the House of Commons on April 8. Labor MPs would be free to campaign either for or against the government's recommendation as long as they refrained from taking part in a "major publicity campaign" or speaking out officially on the issue from the House of Commons front bench.⁵¹⁴ Although Wilson had not yet set the date for a proposed referendum, he suggested that it be held in June. He also assured the House of Commons that it would have the opportunity to for a full debate and vote on the matter before the referendum was held.⁵¹⁵ Then, at the end of January, the EC study on British renegotiation requested during the December Paris summit was published. On the main issue, how a "correcting mechanism" could be applied to Britain's claims that it had paid more than its fair share of the EC budget, the report recommended that where it was found that an EC nation contributed at least ten percent more than prescribed to the EC budget, on a new GNP-based financing scale, that up to two-thirds of the excess contributions would be refunded to the nation in question.⁵¹⁶ Shifting to a system of EC budget financing based on EC member state GNPs moved more of the budget burden to Germany, but Chancellor Schmidt assured French President Giscard that he was prepared to live with that during a meeting between the two heads of state over February 3-4, 1975. According to

⁵¹³ CFPF, Telegram from U.S. Mission to the European Community to Secretary of State, "EC Foreign Ministers Council, January 20, 1975; Highlights Cable", January 21, 1975, EC Brussels 00540.

⁵¹⁴ CFPF, Telegram from American Embassy London to Secretary of State, "Labor's Plans for EC Referendum Begin to Unfold", January 23, 1975, London 01101.

⁵¹⁵ CFPF, Telegram from American Embassy London to Secretary of State, "Wilson Outlines Referendum Plan", January 24, 1975, London 01157.

⁵¹⁶ Commission of the European Community. "The Unacceptable Situation and the Correcting Mechanism." Document COM(75)40, January 30, 1975.

the German Foreign Office report of the meeting, Schmidt intended to keep his earlier promise to Wilson that the Germans would support the British renegotiation demands as long as no new issues were raised by the British late in the renegotiation process. The Franco-German tête-à-tête was also an occasion for Giscard and Schmidt to get together before the March 10 summit and arrange their positions in advance.⁵¹⁷ Although the French continued to be skeptical that concessions offered to the British would have the desired effect on the referendum results, Giscard made it clear through his agreement to go ahead with the “correcting mechanism” that he supported keeping Britain in the EC. But, he was not willing to pay “any price” to do it, especially absent any strong effort by Wilson to support Britain’s continued EC membership.⁵¹⁸ The EC also continued to study ways to induce Britain to remain in the EC, and commissioned a lengthy report entitled “The Effects on the United Kingdom of Membership of the European Communities.” Among many findings, the report concluded that Britain, upon its accession to the EC, was in fact placed at an economic disadvantage because “the existing members of the Community had already established a system to which Britain had still to become accustomed, and to do so in a much less favorable climate for international trade.” Therefore, the study found that Britain did have a right to a “correcting mechanism.”⁵¹⁹

After the British government reviewed the report, the FCO agreed that the EC’s findings were “pretty close” to their own. According to David Colvin, spokesman of the European Integration Department at the FCO, the EC findings were also fair because the new framework for determining EC budget contributions and the correcting mechanism were intended to apply to

⁵¹⁷ CFPF, Telegram from American Embassy Bonn to Secretary of State, “EC Negotiation—The Budget Issue”, January 30, 1975, Bonn 01673.

⁵¹⁸ CFPF, Telegram from American Embassy Paris to Secretary of State, “EC Renegotiation: The Budget Issue”, January 30, 1975, Paris 02612.

⁵¹⁹ “The Effects on the United Kingdom of Membership of the European Communities.” European Parliament: Directorate General for Research and Documentation, February 1975.

all member states, not just the United Kingdom. However, the British saw no reason why the amount of the budget rebate should be limited to two-thirds of the excess budget contributions.⁵²⁰ If a country qualified for a refund as a result of unfair budget contributions, how was it then fair to refund only a portion of the excess funds? Obviously there were still a few issues to be worked out, but the FCO and most of Prime Minister Wilson's cabinet were confident that the remaining renegotiation issues could be dispatched at the upcoming March 10-11 EC Council heads of state meeting in Dublin. Therefore, the attention of the British government—moving beyond just the FCO and Number 10—gradually turned toward conducting the referendum itself. For example, there was a concern in the Cabinet Office over the binding effect on parliament that the referendum would have, as well as the constitutional precedent for holding such a referendum. If there was low turnout or only a small majority for or against continued British membership in the EC, could the first nationwide referendum result be considered a true mandate of all the British people?⁵²¹ Meanwhile, H.M. Treasury conducted its own study of the potential effects of the referendum on the British economy. Published in part in the *London Times* on February 24, the study concluded that should the referendum fail, there could be a run on the pound and a substantial withdrawal of foreign capital from London. One senior civil servant noted “the referendum campaign will not be good for the pound...if the referendum says no, the currency will go bang.”⁵²²

Then, in advance of the EC Council heads of state meeting in Dublin, March 10-11, the EC foreign ministers met on March 3-4. Although it was hoped that the remaining points related

⁵²⁰CFPF, Telegram from American Embassy London to Secretary of State, “EC Renegotiation—UK Reaction to the Commission Paper on the Budget”, February 3, 1975, London 01649.

⁵²¹CFPF, Telegram from American Embassy London to Secretary of State, “EC Referendum”, February 20, 1975, London 02693.

⁵²²CFPF, Telegram from American Embassy London to Secretary of State, “London Times Article on Whitehall Concern over Financial Effects if Referendum Goes Against EC Membership”, February 25, 1975, London 02893.

to British renegotiation could be worked out at this level, saving the heads of state from the difficult work, little progress was made. The UK pushed modifications to the Commission's study, including eliminating the proposal that only two-thirds of the excess budget contributions be refunded. When the Germans seemed hesitant to grant the UK an open-ended rebate, the British raised the stakes by requesting preferential treatment of New Zealand dairy products, in violation of the previous Anglo-German agreement not to raise additional renegotiation issues late in the negotiating process. This also raised concern for the French government, which worried that once the renegotiation process was finished that nothing could prevent Britain from continuing to raise various new demands. The result was that most of the of pre-summit work would have to be left for the summit itself, during which the EC planned to extract a firm commitment from Prime Minister Wilson that he would not raise additional renegotiation issues and would publicly declare to the British people that he was in favor of continued British EC membership.⁵²³

In fact, rather than raising just one new issue at this late stage of renegotiation, that of access for New Zealand dairy products, the Wilson government considered that there were *four* remaining issues: to finalize British EC budget contributions, New Zealand dairy products, finalizing the EC regional fund, and the future of EC industrial policy. The largest issue remained the EC budget, but the FCO was confident that it would be resolved without difficulty at the March 10-11 Dublin summit. On New Zealand, the UK proposed a three-year guarantee for butter imports after 1977, but they admitted privately that they were willing to settle for less. On EC industrial policy, the UK now raised concerns about some provisions of the European Coal and Steel Treaty that could restrict the British steel industry, although the FCO admitted

⁵²³ CFPF, Telegram from U.S. Mission to the European Community Brussels to Secretary of State, "Recent Developments Regarding UK Renegotiations", February 28, 1975, EC Brussels 01770.

privately that this issue would probably not be part of the main renegotiation, but would be discussed at some point later as a part of normal Community business. On EC regional policy, the UK was concerned that the EC would place restrictions on how the regional fund could be used, as well as whether it would somehow restrict an individual nation's autonomy to direct the aid toward regions it felt needed the aid, even if these were not the regions the EC had in mind for the aid.⁵²⁴

Going into the EC summit scheduled for March 10-11, the most critical meeting during the entire process of British renegotiation, it was also the first held by Ireland since joining the EC alongside Britain on January 1, 1973. A few days before the Dublin meeting of the EC heads of state, the U.S. Embassy in Dublin was briefed by Irish Deputy Political Director John Campbell on the summit preparations. Nearly the entire agenda would consist of the renegotiation question, and solving the budget impasse in particular. The Irish expected the summit to be a "cliff-hanger", with last-minute drama from both the French and British, but Ireland's interest was clearly seen to be supporting a successful renegotiation and keeping Britain in the EC. However, that did not mean that the Irish were not critical of the British. In fact, as Campbell pointed out, he thought it was a mistake for the Wilson government to have raised the additional renegotiation issues such as New Zealand dairy imports as well as modifications to the Coal and Steel treaties. Some EC countries thought that by doing so, the British were threatening to "renegotiate after the renegotiations are over."⁵²⁵ The French meanwhile also expected a successful conclusion to the renegotiation during the Dublin summit. According to the Quai d'Orsay, Giscard was prepared to go as far as possible to accommodate British "needs." Quai

⁵²⁴ CFPF, Telegram from American Embassy London to Secretary of State, "EC Renegotiation: The Home Stretch", March 3, 1975, London 03266.

⁵²⁵ CFPF, Telegram from American Embassy Dublin to Secretary of State, "EC Summit Agenda: British Renegotiation", March 6, 1975, Dublin 00424.

Deputy Director for Western Europe Jean Dufourcq did grumble over the recent UK insertion of the New Zealand dairy issue into the renegotiation package. However, the French remained more concerned that at the conclusion of the EC renegotiation discussions that Wilson would provide assurance that he would engage his personal leadership on behalf of the pro-Market forces in the UK.⁵²⁶

The Dublin Summit

Finally, the EC heads of government began their meeting at 3:00 pm on March 10, in Dublin. This entire afternoon was devoted to British renegotiation, which carried into the morning of March 11. German Chancellor Schmidt proposed that the two-thirds reimbursement limit be removed, but insisted on capping the total amount that any member could be refunded from the EC budget.⁵²⁷ Schmidt was also willing to go along with a diluted form of Britain's demand for access for New Zealand dairy products. Schmidt's position was as far as the EC was willing to go, and without any significant opposition from French President Giscard, the British agreed. These most critical remaining issues of British renegotiation were decided at 8:00 pm on March 11.⁵²⁸ British renegotiation for all intents and purposes was concluded. Also noteworthy during the meeting was that this was the first EC summit to be held in complete secrecy, and little information leaked out while the summit was going on. Meetings had continued throughout the night from March 10 to 11, generally at a lower level, but the heads of state were brought in when necessary to break deadlock. Most importantly, Wilson provided his assurance that he would "not remain neutral" during the upcoming referendum as long as the summit reached a satisfactory conclusion and provided that the British cabinet approved of the result, which was

⁵²⁶ CFPF, Telegram from American Embassy Paris to Secretary of State, "French View of Dublin EC Summit", March 7, 1975, Paris 05991.

⁵²⁷ CFPF, Telegram from American Embassy Dublin to Secretary of State, "EC Summit: First Afternoon", March 10, 1975, Dublin 00449.

⁵²⁸ CFPF, Telegram from American Embassy Dublin to Secretary of State, "EC Summit: Agreement Reached on British Renegotiation", March 11, 1975, Dublin 00462.

not expected to be a great hurdle for Wilson. Contrary to what was expected, for the most part Giscard remained in the background of the summit, and did not attempt to obfuscate any of the German-led compromises. Schmidt, who had clearly consulted the French in advance, was able to bridge British and French positions, in particular with British acceptance of a 250 million u.a. cap on British reimbursements of excess EC budget contributions.⁵²⁹ An interim agreement was also reached on New Zealand exports of dairy products and access to the EC markets up to 1980, and Wilson had agreed to put off discussions of the Coal and Steel Community treaties until “a later stage of Community activity.”⁵³⁰ There was also no objection raised to the suggestion that EC member nations had the right to use EC regional funds as they saw fit.

Immediately following the summit, the Irish expressed that the British received exactly what they expected to get, while the EC conceded exactly what it expected give up. The attention then turned to Wilson’s conduct of the British referendum. The British press on March 12 certainly welcomed the conclusion of the Dublin summit, using language such as “a tense climax” and a “ritual table-thumping” to describe the final agreement on British renegotiation. Prime Minister Wilson, however, continued to remain neutral until his cabinet had the opportunity to give consideration to the summit result. As he noted, “we have now taken the discussions as far as they will go, and we know where we stand. We have no further issues to raise...if the cabinet recommends these terms, the foreign secretary and I, and a majority of the cabinet, will campaign for their acceptance...whether they are good enough is for the British people to decide.” Meanwhile, the press could not help but speculate how much more successful the renegotiation had been than predicted at the beginning of the process, only one year earlier.

⁵²⁹ CFPF, Telegram from American Embassy Dublin to Secretary of State, “EC Summit: No Breakthrough But Good Atmosphere”, March 11, 1975, Dublin 00451.

⁵³⁰ “Conclusions of the Session of the European Council, 1975-1990: Session of the European Council, Dublin, March 10-11, 1975.” 1990.

In that span of time, Wilson had not only secured what many felt was the best possible outcome for Britain, but he had also kept the Labor Party intact.⁵³¹ In fact, while the summit itself was taking place, the House of Commons held a debate on the government's proposed referendum bill, which had survived a lesser procedural vote with a margin of 50. The highlight of the debate was new Conservative Party leader Margaret Thatcher's first major speech in the House of Commons since she assumed opposition leadership. During the debate, she raised the shaky constitutional precedent being set by holding such a referendum, to the delight of a roaring Tory backbench. However, her argument was devastated when former Labor Foreign Secretary Michael Stewart pointed out the shaky constitutionality earlier in the century during the House of Commons debates over introducing women's suffrage!

For Prime Minister Wilson, the successful conclusion of renegotiation in Dublin removed the greatest obstacle to his June referendum timetable. The cabinet was expected to support him, and while he expected the House of Commons vote on having satisfactorily completed renegotiation to divide his own party, he was assured of the support of the vast majority of the Conservative Party, given the continued presence in the party of its pro-EC elder statesman, Edward Heath. As much as the Conservatives would have been overjoyed to have taken down the Wilson government, and they surely could have, they did not wish to do so on a matter of such importance to the future of the United Kingdom.⁵³² However, Wilson still had other critics. As information about the Dublin summit gradually leaked out over time, Dutch Prime Minister Joop den Uyl was said to have been extremely critical of Wilson's performance at the summit. In a background briefing for the Dutch press that was never intended for publication, den Uyl

⁵³¹ CFPF, Telegram from American Embassy London to Secretary of State, "Initial UK Reaction to the Dublin Summit", March 12, 1975, London 03863.

⁵³² CFPF, Telegram from American Embassy London to Secretary of State, "EC Membership: Progress Toward Referendum", March 12, 1975, London 03812.

admitted that he was embittered by Wilson's "arrogant" behavior. He said the British Prime Minister had no appreciation for the work that the EC had done over the previous year in order to meet every British renegotiation demand. Den Uyl claimed that he was so distressed following the summit that he refused to meet with a Dutch television crew that he had earlier committed to meet, and commented that "if that's how the British are going to behave after renegotiations, we're in for a bad time."

There was also criticism that the conclusion of British renegotiation was pushed through too quickly at the Dublin summit, and that more of the details should have been handled at a working level below the heads of state. In one colorful anecdote, during a particular debate to break deadlock over the EC budget, "the only tools available to the boys in the back room were a slide rule and a borrowed pocket calculator."⁵³³ However, the German government remained positive about the summit's outcome. Foreign Office Political Director Günther van Well stated that the summit's major achievement had been the conclusion of the renegotiation, while the question of EC budgetary contributions the most important aspect of the renegotiation itself. Van Well noted that had the renegotiation not concluded successfully, the German government believed a withdrawal of Britain from the EC "could have started a downward spiral in the area of European cooperation with unforeseeable consequences." In hindsight, he said, the German government recognized in advance of the summit that there would also be additional EC financial burdens on Germany to keep the UK in the EC, but that there would also be a cost to Germany if Britain chose to leave the Community. Therefore, the decision to do what it took to keep Britain in was a relatively easy one, and van Well credited Chancellor Schmidt, who

⁵³³ CFPF, Telegram from American Embassy Dublin to Secretary of State, "The European Council: Some Reflections on the Summit", March 13, 1975, Dublin 00491.

“carried the ball much of the time.”⁵³⁴ Even the French government was more positive. Quai d’Orsay Political Director Stanislas Lefebvre de Laboulaye commented privately to the U.S. Embassy in Paris that he believed that should the British cabinet support the renegotiation results, that Wilson would recommend to the British people that they vote yes on the June referendum. Most important, the internal view of the French government was that the Dublin summit had equipped Wilson with sufficient ammunition to persuade both his cabinet and the British people that it was in British interests to remain in the EC.⁵³⁵

However, some British officials continued to privately suggest that Wilson could have gotten the same results from the EC through the normal Community bargaining process. This also would have saved the UK from becoming a target for EC resentment during the course of the difficult renegotiation process. However, one windfall achievement of the renegotiation process for the EC was that prominent members of the British government, including Foreign Secretary James Callaghan, had moved from their agnostic position toward the EC to now campaigning for continued British membership.⁵³⁶ No further evidence of Callaghan’s shift was needed than the fact that he had recently set up a temporary “referendum office” in the FCO to provide facts and pro-EC speakers as would be required by the government during the referendum campaign.⁵³⁷ However, American analysts were not nearly as convinced that the referendum would secure Britain’s future in the EC, and contingency plans were drafted in the State Department in case of British withdrawal from the EC. The U.S. reports concluded that “following a decisive vote in June against EC membership, the UK would probably withdraw

⁵³⁴ CFPF, Telegram from American Embassy Bonn to Secretary of State, “German Views on EC Summit Meeting”, March 13, 1975, Bonn 04163.

⁵³⁵ CFPF, Telegram from American Embassy Paris to Secretary of State, “EC Summit: French Impressions”, March 13, 1975, Paris 06536.

⁵³⁶ CFPF, Telegram from American Embassy London to Secretary of State, “Reflections on EC Renegotiation”, March 14, 1975, London 04004.

⁵³⁷ CFPF, Telegram from American Embassy London to Secretary of State, “EC Dublin Summit: FCO Comments”, March 14, 1975, London 04009.

immediately from the EC institutions. It would presumably then look for alternatives to membership in the Community.” In seeking such an arrangement, perhaps like the former European Free Trade Area (EFTA), a desperate Britain would have a very weak negotiating position. The UK would be faced with a huge confluence of legal and economic adjustments in the process of untangling the nation from the *acquis communautaire*. Britain would then be forced to define its new world role, and “at best, it could become a fairly prosperous oil-producing European economy. It would continue to be tied to the rest of Europe through NATO and the OECD, and would exercise positive—if limited—influence in world affairs.” Most of all, the State Department was worried that apparently the British government was doing no contingency planning of its own, although the risks of any leaks that such efforts were taking place was also recognized.⁵³⁸ After all, even the Germans were creating contingency plans, in which they hypothetically agreed to support the UK if after withdrawal it chose to set up an EFTA type arrangement. The Germans supported any initiative that kept the UK closest to the EC.⁵³⁹

On March 18, Prime Minister Wilson told a packed House of Commons that the cabinet had approved the renegotiation results by a vote of 16 to 7, despite the fact that over 100 Labor MPs, including a large number of junior ministers, had tried to spoil Wilson’s speech by introducing anti-EC legislation the same day designed to stop the referendum.⁵⁴⁰ Next, Wilson introduced the government 40-page white paper on the results of renegotiation to the House of Commons on March 27. Much to the chagrin of the anti-Marketeters, the paper

⁵³⁸ CFPF, Telegram from American Embassy London to Secretary of State, “What Happens If Britain Leaves the European Community?”, March 14, 1975, London 04010.

⁵³⁹ CFPF, Telegram from American Embassy Bonn to Secretary of State, “Britain and the Community”, March 25, 1975, Bonn 04913.

⁵⁴⁰ CFPF, Telegram from American Embassy London to Secretary of State, “Government Recommends Continued EC Membership”, March 19, 1975, London 04235.

spoke extensively of the wider considerations of British membership in the EC, including spillover benefits to Anglo-American relations and NATO, and that a cohesive Europe is “an essential pillar of the Atlantic partnership.”⁵⁴¹ After reading the white paper, one could come to the conclusion that not supporting the government on the referendum was simply not patriotic. Next, Wilson laid out the procedures for a three-day debate on the government’s white paper in the House of Commons, to conclude with a critical vote on April 9. Meanwhile, the House of Commons vote on holding the referendum itself was scheduled for the day after, on April 10. The nationwide referendum was proposed for June 5. Although Wilson expected House of Commons endorsement of the government’s white paper and the referendum, the question was how large the Labor Party rebellion would be.

No sooner did Wilson lay out his agenda to the House of Commons did the nationwide discussion about the future of Britain begin. On the Conservative side, although many prominent Tories supported British membership in the EC, Harold Macmillan emerged to condemn Prime Minister Wilson. “Supermac” attacked the “constitutionally dangerous” referendum, and charged that the Labor Party’s “left-wing opposed EC [membership] because they wished to convert [the] UK into [a] communist country and [they] see EC membership as [an] obstacle to that objective.”⁵⁴² With the prominent leaders of Britain’s three largest political parties all supporting continued British membership of the EC, opinion polls showed a swing in favor of staying in. According to one poll published in the *Evening Standard* on April 18, sixty percent of those asked said that they would vote in favor of staying in if the referendum were held that day. Twenty-eight percent said they would vote “no,” and twelve percent said that they “don’t know.”

⁵⁴¹ CFPF, Telegram from American Embassy London to Secretary of State, “White Paper on Renegotiation Presented to Parliament”, April 1, 1975, London 04918.

⁵⁴² CFPF, Telegram from American Embassy London to Secretary of State, “EC Membership: Weekend Developments and Outlook”, April 7, 1975, London 05215.

When compared to an earlier poll taken by the same organization as recently as late February 1975, the earlier poll showed forty-eight percent in favor, thirty-four percent opposed, and eighteen percent “don’t know.” After the House of Commons voted on April 9 in favor of the government’s white paper by a margin of 396 to 170, the real testing ground for Wilson and Callaghan came during an April 26 Labor Party all-party vote on continued British membership of the EC.⁵⁴³ Although not binding on the government, the Labor Party overwhelmingly voted against continued British membership by a vote of 3.7 million to 2.0 million votes.⁵⁴⁴ With such division in the Labor Party, Wilson tried everything he could think of to keep the party intact through the referendum. Wilson was propped up somewhat when the leader of the Trades Union Congress Len Murray admitted there was no sense in letting the party “tear itself to pieces” over the European Community. Advising unions to abstain on the referendum, Murray commented “we are not getting our knickers in a twist” over the EC issue.⁵⁴⁵ Wilson also did what he could to help himself. On May 11, he gave two nationwide television interviews. He indicated that collective cabinet responsibility was waived until the June 5 referendum—which allowed Labor MPs and government ministers to campaign for or against the referendum as they pleased—but that Wilson would expect cabinet loyalty again beginning June 6. After that time, he said, any cabinet minister who cannot accept the decisions of the cabinet will retire to the “full and satisfying life of a backbencher.” But more than simply raising the stakes for those who opposed him, Wilson’s appearance on nationwide television and radio at a difficult time reassured the

⁵⁴³ CFPF, Telegram from American Embassy London to Secretary of State, “British Opinion Continues to Swing in Favor of EC Membership”, April 23, 1975, London 06149.

⁵⁴⁴ CFPF, Telegram from American Embassy London to Secretary of State, “EC Membership: Labor Party Conference Votes Against EC”, April 28, 1975, London 06350.

⁵⁴⁵ CFPF, Telegram from American Embassy London to Secretary of State, “Len Murray on the EC: ‘We’re Not Getting our Knickers in a Twist’”, May 2, 1975, London 06680.

British public that his government was still able to deal with the problems that the nation faced.⁵⁴⁶

Then, there was another twist in the referendum campaign. A Danish poll taken late April 1975 indicated that should the UK decide to withdrawal from the EC, that 74 percent of Danes would then be opposed to Danish continued membership in the EC. The stakes were now even higher for the British government.⁵⁴⁷ However, many commentators surmised that the British government clearly had the edge in the polls. In addition, they had bigger endorsements from a cross-section of political leaders, were better financed, had superior organizational support, and broader media coverage. Despite the divisions in the Labor Party, the trade unions remained neutral, and the referendum had the endorsement of the leadership of the Labor, Conservative, and Liberal parties.⁵⁴⁸ However, although the polls looked to be in the government's favor, last minute shifts as well as a poor turnout could dramatically affect the referendum results. There must have been at least a little doubt in the British government, because the FCO did begin conducting some contingency planning of its own, should Britain leave the EC.⁵⁴⁹ The government's pro-EC campaign was not helped by continued anti-Marketeer efforts to use anything to turn the campaign in their favor. For example, on May 22, five anti-EC members of the British government jumped on words spoken by French President Giscard during a press conference that they claimed had "effectively repudiated the terms" of Britain's renegotiation conditions of membership. Giscard had been somewhat dismissive in answering a question in which his response suggested that should the British referendum fail that the other EC nations

⁵⁴⁶ CFPF, Telegram from American Embassy London to Secretary of State, "Wilson Seeks to Assert Control and Restore Confidence", May 12, 1975, London 07181.

⁵⁴⁷ CFPF, Telegram from American Embassy Copenhagen to Secretary of State, "Gallup Poll Indicates Large Majority of Danes Prefer Following UK If It Withdraws from EC", May 15, 1975, Copenhagen 01387.

⁵⁴⁸ CFPF, Telegram from American Embassy London to Secretary of State, "EC Referendum Campaign: A General Wrap-Up", May 16, 1975, London 07423.

⁵⁴⁹ CFPF, Telegram from American Embassy London to Secretary of State, "EC Referendum—More Comment on the Consequences of a Yes or No Vote", May 16, 1975, London 07451.

would continue pushing ahead with integration efforts. However, that was not the overall thrust of Giscard's comments, at least according to a transcript of the press conference.⁵⁵⁰ Also, at times, the British government's bid for success in the referendum campaign was aided by rather unlikely spokesmen. Before jumping over thirteen single-decker London buses at Wembley Stadium on May 19, Evel Knievel's endorsement of continued British membership in the EC was drowned out by catcalls and cheers. However, Knievel's campaign for the EC dramatically came to an end only minutes later after his crash landing on the other side of the buses, which left him with a crushed vertebra, fractured hand, damaged spine, and a determination never to jump again."⁵⁵¹

As the campaign wound down, the British public seemed to lack any further interest in the referendum. While the British government continued to monotonously argue its case with support from leading public figures, the rhetoric of the anti-Marketeers became even more dramatic, making the front pages of even respectable newspapers almost every day. Led by Tony Benn, he now claimed continued British membership in the EC would cost Britain 500,000 jobs. As the U.S. Embassy in London commented, "this comedy provides almost endless grist for the speculative mills of political journalists...it is a strange and almost unreal atmosphere in which to resolve a question of such importance to the future of the UK."⁵⁵² The polls from the final week of the referendum continued to show the government assured of victory on the referendum.

⁵⁵⁰ CFPF, Telegram from American Embassy London to Secretary of State, "EC Referendum Campaign: Anti-Marketeers Exploit Giscard Statements", May 23, 1975, London 07876. According to a transcript of the press conference, President Giscard actually stated that should the British referendum fail, "...je crois que ce seriat une erreur de croire que les autres ne doivent pas poursuivre leur progression des lors qu'il s'agit de mechanisms déjà appliqués et des lors que leur conjuncture leur permet de poursuivre l'objectif d'union économique et monétaire." The entire text can be found in CFPF, Telegram from American Embassy Paris to Secretary of State, "EC Referendum Campaign", May 27, 1975, Paris 13523.

⁵⁵¹ CFPF, Telegram from American Embassy London to Secretary of State, "With Evel Knieval on the Pro-Market Side, How Can They Lose?", May 28, 1975, London 08064.

⁵⁵² CFPF, Telegram from American Embassy London to Secretary of State, "EC Referendum Campaign: Reflections on a Stifled Yawn", May 29, 1975, London 08134.

Much of the credit was due to those who chose not to be divisive one way or the other during the campaign, including trade union leaders Jack Jones and Len Murray, who recognized the divisive nature of the EC issue early on and therefore took a neutral stance.⁵⁵³ The American Embassy in London also conducted a full study of which British politicians stood to gain or lose whatever the outcome of the referendum. Although the American analysts assumed Wilson would be victorious, they recognized the sensitivity of predicting the winners and losers of a referendum that had not yet taken place, especially should such a document have leaked out. In fact, the Embassy was careful to note at the end of the study that “if the polls are monumentally in error, and Britain votes no on June 5, please destroy all copies of this cable, and look for a revised assessment next week.”⁵⁵⁴

The Conservative Party under Margaret Thatcher, meanwhile, wound down its referendum campaign during a press conference on June 3, recommending the British electorate to vote overwhelmingly for the UK to remain in Europe. She stressed that Conservative Party leaders since Churchill had always been supportive of Europe, and noted that under her leadership, her party had voted 249 to 8, with 18 abstentions, during the House of Commons vote on the referendum, even though much of the Prime Minister’s own party had not supported him.⁵⁵⁵ In the government’s pro-EC campaign, the Prime Minister himself preferred to not become involved in the rough and tumble of the referendum crusade. Puffing on his pipe and patronizing the dogmatic protagonists on both sides (“it’s good for them to let off steam”), he stated at the end of the campaign that he and Foreign Secretary Callaghan had weighed all the

⁵⁵³ CFPF, Telegram from American Embassy London to Secretary of State, “EC Referendum Campaign: The TUC Looks Ahead and Keeps Cool”, May 30, 1975, London 08173.

⁵⁵⁴ CFPF, Telegram from American Embassy London to Secretary of State, “EC Referendum: An Assessment of the Political Fallout”, June 2, 1975, London 08305.

⁵⁵⁵ CFPF, Telegram from American Embassy London to Secretary of State, “Tories Wind Up Referendum Campaign”, June 4, 1975, London 08421.

evidence and had come to the pragmatic conclusion that Britain would be better able to tackle the problems it faced if it remained in the EC.⁵⁵⁶ Meanwhile, commentators at the U.S. Embassy in London focused on the bigger picture, noting that in Britain:

...the business of government goes on but without the sense of urgency that the times demand. British government members feel bewildered. But they are not alone. The present leaders of Western Europe are confused men, baffled by problems for which they do not have solutions. British politicians share the Secretary [of State]'s view that the West lacks a theory to cope with simultaneously unemployment and inflation.⁵⁵⁷

The Referendum Result

On June 5, 1975, the British electorate went to the polls to decide the future of their nation. Early referendum returns through 2:00 pm indicated that the British people had overwhelmingly endorsed the Wilson government's recommendation that the UK remain a member of EC.⁵⁵⁸ A few hours later, by 6:00 pm, it was clear that the vote was an overwhelmingly "yes." With 69.4 percent of total votes counted, 68.4 percent had voted for continued EC membership. Prime Minister Wilson did not wait for the final results. Feeling confident, he scheduled his televised address to thank the British people that same evening.⁵⁵⁹ When President of the European Commission Ortoli heard the news, he expressed delight at what appeared to be such an overwhelming victory for the EC, and noted "we must now look to the future. Today represents a new point of departure. A whole people had just demonstrated their confidence in Europe. We must not disappoint them."⁵⁶⁰ However, the greatest sigh of relief came not from Brussels, but from Copenhagen. More pro-EC than the electorate, the Danish government was relieved that it would not have to hold a referendum of its own. In that sense,

⁵⁵⁶ CFPF, Telegram from American Embassy London to Secretary of State, "EC Referendum: The Dark Side of the Moon", June 4, 1975, London 08435.

⁵⁵⁷ CFPF, Telegram from American Embassy London to Secretary of State, "Britain in Crisis", June 5, 1975, London 08537.

⁵⁵⁸ CFPF, Telegram from American Embassy London to Secretary of State, "EC Referendum: Britain Votes to Stay In", June 6, 1975, London 08611.

⁵⁵⁹ CFPF, Telegram from American Embassy London to Secretary of State, "EC Referendum: Britain Stays in Market", June 6, 1975, London 08666.

⁵⁶⁰ CFPF, Telegram from U.S. Mission to the European Community Brussels to Secretary of State, "Reaction to British Vote to Stay in EC", June 9, 1975, EC Brussels 05107.

the British referendum also served as a watershed moment for continued Danish membership of the EC.⁵⁶¹

With the referendum behind him, Prime Minister Wilson declared in the House of Commons on June 9 that HMG would now play a full, constructive role in the EC, and acknowledged the assistance he had received from Edward Heath Liberal Party leader Jeremy Thorpe, and others. Wilson also signaled that the Labor Party would also begin the process of selecting its delegates to the European Parliament, taking up seats that up to then had been empty over previous Labor Party refusal to take part in any EC legislative body that could be seen as compromising the authority of the British parliament.⁵⁶² Wilson also commended the continued support of the British people. A poll taken June 12, one week after the referendum, showed 61 percent with favorable views of the EC, while only 31 percent remained opposed. That meant that those in favor of the EC in the June 1975 poll were even greater than the 57 percent in favor during an October 1972 poll conducted immediately before British entry to the EC.⁵⁶³ The French and the German governments were also delighted that the renegotiation was once and for all in the past. In a Franco-German summit meeting between German Foreign Minister Genscher and French Minister of Foreign Affairs Sauvagnargues on June 13, they were in clear agreement over the next steps to be taken by Britain in the EC, including reestablishing Labor Party support for the European Parliament. Both men also agreed that now that Britain's membership of the EC was no longer in question that Britain "will now have to be pushed."⁵⁶⁴

⁵⁶¹ CFPF, Telegram from American Embassy Copenhagen to Secretary of State, "Denmark Sighs with Relief at Favorable UK Referendum", June 9, 1975, Copenhagen 01631.

⁵⁶² CFPF, Telegram from American Embassy London to Secretary of State, "Wilson Reports to Parliament on EC Referendum", June 10, 1975, London 08799.

⁵⁶³ CFPF, Telegram from American Embassy Copenhagen to Secretary of State, "British Referendum Strengthened Danish Popular Support of EC Membership", June 19, 1975, Copenhagen 01725.

⁵⁶⁴ CFPF, Telegram from American Embassy Bonn to Secretary of State, "Genscher-Sauvagnargues Talks in Paris, June 13", June 20, 1975, Bonn 10007.

Finally, Callaghan was able to thank his European colleagues during the EC Council of foreign ministers held in Luxembourg on June 24-25. The Foreign Secretary confirmed that Labor Party representatives would soon be taking up their seats in the European Parliament and that British trade union representatives would soon take up their places in the EC economic and social committee. The EC Council meeting also marked the end of the six month Irish presidency of the European Community during the first half of 1975, which was one of the most critical presidencies in the history of European integration. At the end of the Council meeting and after another all-night session, at 5:30 am on June 25, long after most ministers and observers had departed for home, Irish Foreign Minister Garrett Fitzgerald entered the press room “and gave dazzling display of the attention to detail, memory, and good humor which have been the hallmarks of his Council presidency.” One senior European Commission official, who had been observing the Council for more than fifteen years, remarked that the Irish presidency would be sorely missed.⁵⁶⁵

Against all odds, Harold Wilson, first in opposition, and then elected twice as Prime Minister, took a political party and a British electorate firmly opposed to continued British membership in the European Community, and convinced them that Britain had no other choice but to remain in Europe. Rather than be bogged down in the negativity that was so common at each stage in the renegotiation process, Wilson remained above the fray, above politics itself, and bridged the support of political leaders past and present from all major political parties in doing what he was convinced was right for the nation. Meanwhile, he and Foreign Secretary Callaghan acquired German support for the renegotiation effort early on, and through a series of political events in European politics—the death of President Pompidou and changes in

⁵⁶⁵ CFPF, Telegram from U.S. Mission to the European Community Brussels to Secretary of State, “EC Foreign Ministers’ Council Meeting, June 24-25: Highlights”, June 25, 1975, EC Brussels 05746.

government in France and Germany, as well as in the United States—shored up enough support to stand up to France. The French government was convinced right up until the spring of 1975 that Britain might actually leave France alone to face the other nations of the European Community, and that France would do so once again in isolation in the EC after the Gaullist European policies of the Pompidou-Jobert partnership. The German government recognized France's desperate position and took advantage of that brief window of opportunity by pushing through the necessary EC concessions to Britain designed to keep the UK in the Community. As a result, Wilson and Callaghan over time saw the EC as a friendlier place, and actively campaigned for Britain to remain in the EC. They knew that the alternative, after all, had Britain pulled out of the European Community, was simply unthinkable.

CONCLUSION

Looking at each of the major issues in transatlantic relations which this study has discussed, where does Nixon-era policy with Europe stand in the annals of near-permanent ties between the United States and its closest allies? It is the conclusion of this study that Nixon's strategy with Europe was correct, even if his tactics can be criticized. Regarding Nixon's personal relations with European leaders to the extent that they did or did not facilitate greater transatlantic understanding, Nixon was right to quickly reacquaint himself with Europe early in his first term, to gain wisdom from the elders of Europe, and to use Europe as a launch pad for many of his grand initiatives. With Nixon's background vis-à-vis Europe, how could he have pursued the opening act of his foreign policy any other way? However, Nixon's lack of meaningful follow-up after the initial 1969-1970 euphoria in transatlantic relations resulted in a breakdown in trust of Nixon that occurred earlier than it should have, assuming such a breakdown was inevitable once Watergate permeated into even Nixon's ability to continue making foreign policy. The breath of fresh air that Nixon was to many Europeans turned stale and prematurely ended Nixon's European honeymoon far earlier than it should have.

Second, in the evolution of NATO during 1969-1974, while Nixon initially showed strong support for the Atlantic alliance by stopping first in Brussels during his 1969 tour, Nixon had to have known that pursuing secret dialogue with the Soviet Union would undermine the defense alliance more than the president let on. In addition, Nixon's NATO policy was too unclear for Europeans (or Americans) to understand, American support became increasingly shaky, and the American diplomatic corps, first in Robert Ellsworth and then in Donald Rumsfeld were both willing, but not set up by Washington for success. After all, if Nixon intended to run the world's foreign policy out of the White House and eliminate the chance for

war between East and West, what did that make NATO's future role? Nixon never satisfactorily answered this question.

Third, after the collapse of Bretton Woods, Nixon had no other choice but to knock the whole system down in order to force the world to think about a future without the perpetual monetary problems that had plagued the entire postwar era. Presented with the choice between bad and worse, Nixon was correct in wanting to cut the link between the dollar and gold and remove the United States as the pivot of the world system early on in order to prevent massive speculation. What Nixon did not get correct was how to properly handle the European nations that were so concerned about what the American president would do next. Nixon should have agreed to raise the price of gold more quickly, which cost him nothing once the link between the dollar and gold was severed, and he should have realized that Secretary of the Treasury Connally was not the right man to negotiate with the Europeans, at least not if Nixon's goal was to preserve any semblance of good relations. However, only a year before the 1972 election, Nixon wanted Connally as his top negotiator because he understood politics better than any of Nixon's other options—Arthur Burns, George Shultz, Pete Peterson, Paul McCracken, or Paul Volcker. In addition, since Nixon was not an expert on the subject matter, he preferred to work with someone who was also not an expert. The fact that Nixon considered Connally a potential future Republican candidate for president in 1976 also did not hurt Nixon's confidence in him. Connally himself was not to blame: he exacted the best deal he could for Nixon, whose preoccupation was upward movement in the American economy in time for the fall elections.

Fourth, the Year of Europe would have never been necessary had relations with Europe not deteriorated so drastically in Nixon's first term. However, after Nixon had spent so much time on the Soviet Union and China, especially between the summers of 1971 and 1972 when it

was perhaps these issues that occupied Nixon's time more than any other, Nixon felt that he needed to refocus his attentions on traditional allies at the beginning of his second term, just as he did at the beginning of his first term. Nixon's recognition that such a refocus needed a name and a major publicity drive only reflected that even the president himself knew that he had been derelict in his obligations to Europe, or that such an effort would be met with European resistance. For Europe, after having become increasingly mistrustful of Washington after the beating delivered by the hands of John Connally and the collapse of Bretton Woods, Europeans had little interest in such a policy, but agreed to entertain the notion during the autumn of 1972, when Nixon first proposed it. However, after the prolonged end of combat in Vietnam and a ceasefire that did not come to fruition until January 1973, Nixon was forced to put his Year of Europe on hold even before it had taken off. When considering that the whole point of the Year of Europe was to show that Europe again was important to the president only to subsequently delay such a policy because a more important policy matter arose sent a clear message to Europe.

Finally, while Nixon had always supported British membership of the European Community, and more generally he had always supported European integration movements since doing so was in line with his idea of maintaining Western resolve as well as reducing unnecessary American commitments to Europe, Nixon's lack of leadership in Europe during 1974 condemned the European Community to wander through the difficult exercise of British renegotiation of the terms of its membership. Like the Year of Europe, the entire exercise would have been unnecessary in a climate of better transatlantic relations. Had the United States made its Europe policy clearer, had the above accumulation of above problems not occurred, and had Nixon's domestic difficulties not peaked during this time, British renegotiation, if it had been

needed at all, would not have dragged into mid-1975 at the exclusion of nearly any other major policy discussion in Europe.

In summary, Nixon presented himself as someone who needed Europe at the beginning of 1969, and Europe needed him. However, after Nixon extracted all of the assistance he needed to jumpstart his foreign policy with the Soviet Union and China, problems in transatlantic relations began to accumulate in number and size. Each time, when Nixon's attention was returned to Europe, he was easily distracted by the more exciting aspects of his fast-paced foreign policy. Europeans became increasingly frustrated in a climate of diminishing returns on détente, and soon the only time Nixon focused on Europe at all was during a crisis or because it was integral to another area of foreign policy. After all, Nixon was a man who performed best in crisis—he had known it all his life—but his desire to remake American foreign policy and shape the world of future generations, Nixon knew, had roots in the East and not in the West. To the extent that Europeans—or anyone—could assist him in this mission, they did, but if they could not, he simply had no interest in Europe—or anywhere—as an end in itself.

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