A STUDY OF SOME PROBLEMS
IN THE FORMATION OF THE
PROPOSED FEDERATION OF
WESTERN EUROPEAN NATIONS

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Wayne Daniel Bottje
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# A STUDY OF SOME PROBLEMS IN THE FORMATION OF THE PROPOSED FEDERATION OF WESTERN EUROPEAN NATIONS

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## A THESIS

Submitted to the School of Graduate Studies of Michigan State College of Agriculture and Applied Science in partial fulfillment of the requirements for the degree of

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# ACRIO MLEDGLENT

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#### I. INTRODUCTION

Out of the chaos and destruction of two world wars exhaustingly fought over the length and breadth of its terrain emerged in 1945 a Europe vexed by its own inability to establish order and tranquillity among nations and peace, security, and higher living standards for its people. Since the turn of the century Europe had become a bubbling caldron of national animosities, lurking suspicions, narrow prejudices — nations as bereft of morals of of the ideas that motivate them. Culminating in the frenzied orgy of sadism that was Nazism, a bewildered and beaten postwar Europe crawled from its battered remains only to rediscover that power had succeeded power in the councils of nations and that reason and harmony was still far from shaping the destinies of mankind.

The discovery was not one that especially surprised the cynics since they had always accepted the "war-is-forever-inevitable" thesis with equanimity. But the cynics do not normally govern, elsewise the perpetual struggle for national security against recurring wars would not necessarily continue. Thus, Winston Churchill had the courage to say to the world in the depths of World War II.

... it would be our hope that the United Nations, headed by the three great victorious powers, the British Commonwealth

of Nations. the United States and Soviet Russia, should immediately begin to confer upon the future world organization which is to be our safeguard against further wars ... We must hope and pray that the unity of the three leading victorious powers will be worthy of their supreme responsibility and that they will think not only of their own welfare but of the welfare and future of all. One can imagine that under a world institution embodying or representing the United Nations, and some day all nations, there should come into being a Council of Europe and a Council of Asia.

And French Premier Daladier, in the earliest days of the war, declared that

... the new Europe should have a wider organization than that which has existed until now ... (and) perhaps federative bonds (must be) envisaged between the various European states ...2

Clement Attlee, leader of the minority Labour Party in England during the war, stated

... there must be acceptance of the principle that international anarchy is incompatible with peace, and that in the common interest there must be recognition of an international authority superior to the individual states and endowed not only with rights over them, but with power to make them effective, operating not only in the political, but in the economic sphere. Europe must federate or perish.3

The ideas expressed by these leaders were not, of course, anything new. Movements for the unification of Europe may be said to extend as far back as the Roman Emoire when Julius Caesar established Roman hegemony by the sword over what is now France, England, the Lowlands, Spain, Italy, and the Balkans, a unity that secured many

N.Y. <u>Times</u>, 22 Mar. 1943
 N.Y. <u>Times</u>, 30 Dec. 1939

<sup>3.</sup> Cited from William P. Maddox, European Flans For World Order, (Philadelphia, 1940), pg. 17

of the ends now so ardently sought. After the decline of the Empire succeeding attempts at unification were made or planned by Charlemagne and the Roman Catholic Church but the former's attempt was short-lived and the Church's hegemony was more in thought than in actual fact — a unity which crumbled under the impact of the Renaissance and the Protestant Reformation.

The idea has nevertheless persisted in the minds of political thinkers throughout the course of history. The first plan of federation was cogently outlined in 1306 by a crown jurist of King Philip the Fair of France, named Pierre Dubois, and entitled On the Reconquest of the Holy Land wherein it was argued that the Crusades against the Infidels could best be accomplished by securing unity among the European kings, princes, and cities. The proposed leadership of a permanent council of princes by the King of France came to naught, however, when England broke the French supremacy in a succeeding series of wars.

Three hundred years later the Duke of Sully, attributing the origin of his <u>Grand Design</u> to King Henry IV of France, proposed a federated Christian Republic of Europe, composed of fifteen states, for the purpose of promoting permanent peace, free trade, and religious tolerance. A council of forty delegates was to direct the Republic and one of its

direct aims was to be the reconquest of North Africa.

The <u>Grand Design</u> was the forerunner of numerous other federation plans that have since been proposed for Europe.

The nearest approach to a European federation emerged from the Congress of Vienna in the form of the Concert of Europe which, reminding one of the present situation, was motivated more by fear than by the positive forces of reason and mutual interests. The fears of the Congress Powers were aroused by the strains of liperalism emanating from the French Revolution and were temporarily allayed by a vow to maintain the status quo. But, like so many alliances based upon the quicksands of negation rather than upon the solid foundations of forward-looking internationalism, the pseudo-unanimity of the Concert or Europe collapsed under the pressure of national self-interest and unity once again became a faint flickering dream.

There followed a Europe rent by liberalism in the West and reactionaryism in the East. The most outstanding figure of this epoch was Prince Otto von Bismarck, an outstanding opponent of reactionary provincialism.

Liberalism became compounded of a confusion of nationalism and imperialism and the strongest force for international unity emerged from the socialist doctrine of Karl Marx.

But socialism was weak and it took a catastrophic conflict

to revitalize the ideas of unity. Even then the "feel" of national power had grown too strong to make anything but the national self-interest the criterion of action.

A gesture toward European unity was made in the Locarno Pact of 1925 but its demise illustrated the inadequacy of purely political instruments. The primary exclusion of economic considerations would also have negated the effectiveness of Briand's proposal for European Union which expressly stated that "All possibility of progress toward economic union being strictly determined by the question of security, itself closely bound up with the question of possible progress in the realm of political union, it is therefore in the political field that the best efforts of organizers to create for Europe an organic structure must be concentrated." The plan failed of acceptance largely because of the rising tide of nationalism brought on in Europe by the chaos of economic autarchy following the crash of 1929.

Thus European unity, as it is being considered today, is neither a new project nor are the conditions which have caused such discussions without precedent. There are, however, factors in the existing situation which are especially adapted to further study and analysis at this

<sup>4.</sup> N.Y. <u>Times</u>, 18 May 1930

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time. It is the purpose of this paper to inquire into a few of the infinite number of problems to be overcome before the idea of a European (or, in this instance, Western European) federation of nations can become a reality. This inquiry will be concerned with the economic, political, and military aspects of federation since it is in this order that the preliminary groundwork toward unity has already been accomplished and which later developments must perforce be built upon.

In the development of this study it should not be assumed that the European Recovery Program, the Brussels Pact, and the North Atlantic Defense Treaty are necessarily considered as the economic, political, and military elements respectively of an ultimate European federation plan. They are used in the following discussion primarily as concrete examples contributing to the establishment of such a federation rather than integral parts of the plan, which itself presently remains mostly theoretical. The Brussels Fact, to be sure, is the political nucleus of a future federation, although it is not intended to be regarded as a political constitution. The Pact, however, should be viewed as political only in the sense that it is a written document tending toward unification, since it also significantly provides for close cooperation among the Benelux nations and England and France on matters Of armaments and economic affairs. Basically, the Brussels

Pact is the starting point for a future unity of Europe.

## II. ECONOMIC DEVELOPMENT

The idea of the integration of the Western European economy, insofar as it relates to the post World War II period, precedes the development of political and military ties, although it will very likely be the most difficult to achieve in the long run. Nearly complete military cooperation has been attained by most of the Western European nations in the last two conflicts, at least to the extent that the concept of joint military action is not completely foreign to the nations concerned. Political coordination, while less complete in scope than that of the military, has nonetheless been tried -- and, incidentally, found lacking -- in the great alliances of European Powers and the League of Nations which, while not confined entirely to Western European Fowers, has been a fertile practice ground for future plans of cooperation. But economic integration, to the degree necessary to be effective insofar as it touches upon national economies, is almost entirely a phenomenon of the present post-war period and a direct reflection of the relative economic weakness of the Western European area at the present time. The view of Briand in his proposal proposal for a European Union is wholly illustrative of the attitude of the European nations toward economic

cooperation prior to the cataclysm of the second World War.

Far from suggesting that political and security considerations should take precedence over economic matters, the present approach has been clearly cognizant of the important role that economic cooperation and integration may play in the establishment of the security and well being of the Western European people. After more than two years of piece-meal assistance, which could only provide a hand-to-mouth existence for the disrupted and discouraged people of Europe, Secretary of State Marshall, in his Harvard address of 5 June 1947, threw down the gauntlet to the European nations by declaring

... before the United States Government can proceed much further in its effort to alleviate the situation and help start the European world on its way to recovery, there must be some agreement among the countries of Europe as to the requirements of the situation and the part those countries themselves will take in order to give proper effect to whatever action might be undertaken by this Government. 5

This address resulted in the establishment of a Committee of European Economic Cooperation which assembled

... a general statement of the problems of European economic recovery, the plans of the European countries concerned to meet these problems and the assistance which these countries believe to be necessary from the United States and other non-European countries and agencies to restore their economic position ... (and) also summary statements of the position and prospects of the participating countries and Western Germany in food and agriculture, energy sources, iron and steel, transport, timber, and mannower as well as in their

<sup>5.</sup> N.Y. <u>Tines</u>, 6 June 1947

balances of international payments and their internal financial situation.

This statement, a two-volume report, served as the foundation for the establishment of the European Recovery Program, 7 the act which was finally approved by Congress on 3 April 1948.

Assistance Act of 1948 the sixteen Western European nations who were to be the beneficiaries of the Act, plus the Commanders in Chief of the French, United Kingdom, and the United States Zones of Occupation in Germany, created a Convention for European Economic Cooperation which "... laid down the principles and the machinery which were to guide the European nations in developing their cooperative recovery program." The executive organ of this Convention, the Organization for European Economic Cooperation (OEEC), has become a continuing group for Western European recovery plans and is now intended to continue with plans for Western European economic integration after the scheduled discontinuance of the Foreign Assistance Act in 1952.

The problems presently facing the OEEC in the realization of the economic integration of Western Europe are infinite

<sup>6.</sup> Cited from the letter of transmittal of the Sec. of State to the Fresident, "Committee of European Economic Cooperation, General Report, Paris, 21 Sep. 1947,"

International Conciliation, 447 (Jan. 1949), pg. 6

<sup>7.</sup> Ibid., pg. 6 8. Ibid., pg. 19

and complex. One of the major difficulties that confront economic planners is the fluidity of the world's economy. Prices of commodities change from day to day and from region to region, production is constantly at variance with demand, the cause of which is often beyond the capacity of man to control (e.g. the weather with respect to agriculture), national currencies are disrupted because of internal difficulties which may in turn affect international stability -- these, and many more, factors make any attempts by planners (short of a world state with a single central authority) to integrate separate national economies into a workable union an almost insurmountable task. most pressing problem facing the OEEC today is the necessity for having the Western European economies sufficiently integrated by 1952 so that United States foreign assistance. scheduled for completion in that year, will relieve nations of the chronic dollar shortage which has been their lot individually since the end of the war. Given a completely balanced world economy (a theoretical situation which has not prevailed since the beginning of the national state) the term "dollar shortage" would not exist, since it implies a material shortage of either raw or manufactured goods or of productive racilities palanced in the proper proportion to the population. This condition does not only not inhere in our world economy but, rather, the overwhelming predominance of productive resources are concentrated in what is now

known as the "dollar area". These resources may be procured only in exchange for dollars, or their equivalent, and the nations of Western Europe, outside of the dollar area. have little means for securing those dollars because of their own rather limited sources of raw materials and wardestroyed productive facilities. Therefore, the dollar -or material -- shortage becomes a continuing problem. Although the European Recovery Program was designed to restore the industrial, agricultural, and mineral resources of the Western European nations to the point where they could once again get into the world market, it is becoming increasingly clear that 1952 will see the Marshall Plan nations still considerably short of complete dependence from dollar credits. Various estimates have been made but the latest ones seem to place the 1952 dollar deficit of Marshall Plan nations at nearly \$2.5 billion.9

Assuming this fact to be correct, there would be several possible alternatives in the event the United States did not decide to continue aid on a limited scale. These could include a reduction in the general standard of living or an abandonment to Communist hegemony and all that it entails. But the most likely result, in the event that an adequate degree of economic integration is not secured

<sup>9.</sup> Sir. Arthur Salter, "European Recovery: A Look Ahead," Foreign Affairs, 27:2 (Jan. 1949), pg. 290

(and with it an alleviation of the dollar shortage), is that there will be a resort to national efforts of self-protection in order to protect the national populations of the Western European states which will, in turn, bring about a recurrence of the costly trace wars of the 1930's era. Conflict among these nations is further likely because most of them are industrial nations producing competing products. Protective policies, export and import controls, and currency manipulations may easily be used to protect national economies at the expense of other national economies which will affect the economic stability of the whole non-Russian world. The case for Western European integration, therefore, becomes a matter of paramount importance.

A nucleus for economic integration and a pattern for future plans may be found in the Benelux customs union where tariff dealings are intended to apply equally to all three nations. This plan originated out of a long series of attempts since 1830 to establish better economic relations among the three nations and the present union took shape while the Belgian and Netherlands Governments were in exile in London during the recent war. Luxemburg became a part of the union as a result of a previous tariff

<sup>10. &</sup>quot;Steps Towards A United Europe," U.S. News-World Report, (13 Feb. 1948), pg. 20

and monetary union agreement with Belgium in 1922. 11 program was begun in 1944 by the establishment of three Councils to work out a common tariff against other countries, to negotiate foreign trade agreements on the basis of these tariffs, and to consider complete economic union which was to be accomplished by stages without interfering with the political sovereignty of the three nations. 12 A common customs policy was agreed upon in London on 5 September 1944, but the long period of occupation of The Netherlands after Belgium was liberated necessitated a postponement of the tariff agreement. A second series of three Councils was set up in a meeting at The Hague in April, 1946, to determine customs regulations (including a tariff schedule) and to prepare foreign trade regulations and commercial treaties. 13

The council on tariff regulations prepared a schedule by considering each commodity item by item and arriving at a tariff which was a reasonable compromise between the relatively high Belgian-Luxemburg tariffs and the generally low Dutch tariffs. This schedule, which went into effect on 1 January 1948, does not affect the existence of excise

Foreign Affairs, 25:4 (July, 1947), og. 692

<sup>11.</sup> David T. Roberts, "The Dutch-Belgian Economic Union," Foreign Affairs, 25:4 (July, 1947), pg. 692 12.

Ibid., pg. 691 Harold H. Hutcheson, "Benelux: Unity In A Divided Norld," 13. Foreign Policy Report, XXIV:4 (1 May 1948), pg. 48
David f. Roberts, "The Dutch-Belgian Economic Union,"

and other transaction taxes, import quotas, and exchange controls which continue to exist on a national scale, although ultimately a free trade area is envisioned among the three countries. This complete economic union is expected to be achieved by 1 July 1950, according to present plans, assuming that the three countries continue to receive Marshall Flan and in the expected quantities and if "... an overall balance is achieved in international payments of their economies." On that date it is further intended that the currencies of the three countries will be mutually convertible, "... machinery will be designed to trace fundamental differences in payments position, (and) measures will be taken to check disequilibrium, mainly in the field of commerce." 17

The Benelux economic program poses many problems which will be of a comparable nature in a larger Western European union. One problem arises out of the fact that Belgium is now a highly industrialized country while The Metherlands is considerably less so, since the latter has been able heretofore to rely more upon the returns from a highly profitable overseas empire. Faced now with the virtual loss of this colonial investment, The Netherlands is endeavoring to establish new industries in the mother country,

<sup>15.</sup> Harold H. Hutcheson, "Benelux: Unity In A Divided World,"
Foreign Policy Report, XXIV:4 (1 May 1948), pg. 48

<sup>16.</sup> N.Y. Times, 13 Mar. 1949

<sup>17.</sup> Ibid.

both for the purpose (1) of developing an exportable surplus of manufactured products to offset the decline in overseas investments and (2) of employing a rapidly increasing population. 18 This problem may be relatively easy within the Benelux union since new industries may be developed with an eye to the economic benefit of the union as a whole and not in competition with presently established Belgian industries, although both nations have some highly competitive industries in their present stage of development. 19 But the problem is one of major proportions when the economic integration of countries possessing long-established competing industries is attempted. Serious dislocations of manpower and financial investments may occur if radical steps toward community specialization are taken by a federated government. Concentrations of complete industries' in separate localities may also be disadvantageous from a strategic standpoint. On the other hand, continuation of existing industries in their present locations might well prove uneconomic to a federal unit with a single central government because of transportation costs, availability of labor, conditions of the industrial plants, and proximity to consumer units. The integration of the industrial machinery of a destern European Federation is an infinitely

19.

Harold H. Hutcheson, "Benelux: Unity In A Divided World," Foreign Folicy Report, XXIV:4 (1 May 1948), pg. 48
David T. Roberts, "The Dutch-Belgian Economic Union,"
Foreign Afrairs, 25:4 (July, 1947), pg. 691 18.

complex task which will require a high degree of planning and a long period of slow transition to develop the present nationally-oriented industrial plants into a single economic federated unit.

Agricultural oroduction is another problem requiring the attention of the Benelux planners. Although both nations are food importers. The Netherlands oroduces an exportable surplus of such things as dairy products and vegetables. The economic union could mean a financial loss for Dutch food exporters, either through requiring them to sell the exportable surplus on the new domestic market (viz. Benetux) at a smaller margin of profit or through the readjustment of tariff rates because of the differences of the agricultural-industrial markets of the two countries. The latter could mean revision of agricultural tariffs upward to the detriment of Dutch food exporters through retaliatory measures by other nations. The first problem may adjust itself if the Benelux market becomes a complete free trade area to the extent that all domestic prices will adjust themselves automatically to export prices or if the entire union should adopt export subsidies to meet competitive foreign markets. The second problem has evidently already been met through the establishment of a new tariff schedule for the union (as has been previously

<sup>20.</sup> Ibid., pg. 691

indicated), but its effectiveness is yet to be proven.

A larger European union, particularly one embracing the Scandinavian agricultural areas, would face a similar unbalance of agricultural and industrial interests. many ways this is not unlike the problem that has faced United States legislators in the course of almost its entire history. Agricultural interests generally tend to favor low tariff volicies in order to secure manufactured products at lower prices, as well as to avoid reciprocal discrimination against their exportable surplus. Industrial interests, on the other hand, tend to favor higher tariffs in order to exclude foreign competing manufactures who may be able to produce more cheaply because of a number of variable factors (e.g. cheaper labor, better access to raw materials, technological superiority, etc.) and thereby but them out of business, or because a high tariff may permit them to increase their profit margin on the donestic market. These conflicting points of view will inevitably pose serious problems for Western Union economic specialists. Aside from the necessity for reconciling agricultural and industrial interests on the tariff issue, union economists will have to decide whether it is in the best interest of the union to establish an autarchic state. The latter development would mean the encouragement of uneconomic industries by the use of tariffs to insure greater military security and economic stability through independence from other national

economies. As an illustration, a Western European Union might become dependent upon the United States for certain vital defense requirements because the latter could produce them more economically than a European Union. Such a union would not only be necessarily bound to the United States for its military security but the conditions of commerce which such dependence would entail (and which might well extend into other than armament industries if economic superiority is the sole justification for existence) would make the stability of the Union's economic structure strongly dependent upon the United States overwhelming productive superiority. On the other hand, the Union might decide to become as completely autarchic as possible in order to avoid dependence upon an outside power. Such action might not only help to stifle world commerce and assist the present Russian-led attempt to compartmentalize national economies (which ultimately leads to mounting international antagonisms and generally reduced living standards within the separate national groupings) but also to defeat one of the very purposes for which a Western Union is formed, viz. the establishment of larger free trade areas.

Obviously, the problem of compromising these two extremes is one of major proportions for the planners of a Western European Union. It may be considered quite possible that, unless Russia relaxes to a considerable extent the

semi-autarchic exclusivity of her commercial Eastern bloc (which appears rather unlikely because of Russian fears of a Western free economy depression), the proposed Western European Union will out of necessity become somewhat dependent upon the United States. This is true in the short run since the Western European nations are almost completely dependent upon Marshall Flan assistance to restore their capital equipment to a point where they can theoretically become self-sufficient. Their dependency is nearly as great in the longer run, however, since the Western nations of Europe do not have enough raw materials to make them completely independent of the remainder of the world. Still further, unless they are able to gear their technological facilities to greater productive units per man it is possible that they may become dependent upon the United States' greater technological production to satisfy even their minimum demands. Finally, outside the realm of economics but within that of dependency, the history of long-established commercial relations among the Western European nations and the United States, plus a common cultural background and a further common sympathy towards free commercial intercourse among nations, makes the idea of close relations between the Western European Union and the United States a logical condition of fact.

A third problem confronting the Benelux planners is

the marked difference between the economic policies of The Netherlands and of Belgium-Luxemburg. Since the latter states were liberated seven months before the former and Belgium became an Allied military base while its currency was simultaneously being fed by British and American troops, the postwar fiscal policies of the two national groups tended in different directions. 21 In Belgium sharp measures were taken to stimulate industrial production to meet foreign competition, even at the expense of an increasing gap between prices and wages, 22 but that policy is now paying off by a dropping off in prices of consumer goods and an increasingly profitable export market. 23 Today the Belgian franc is one of the strongest currencies in Western Europe. 24 Essentially, Belgium has been pursuing a "free economy" program while most of her neighbors follow a controlled economy plan which means that little Belgium, heavily dependent upon foreign trade for her national income, is compelled to compete with state controlled and sometimes subsidized economies which are pressing for expanding export markets. 25 It further means that unless Belgium can continue to meet this competition -- and it is becoming increasingly difficult as production in the "controlled" countries increase

<sup>21.</sup> Ibid., pg. 691

Ibid., pg. 692 22.

N.Y. Times, 20 Mar. 1949

<sup>24.</sup> 

N.Y. <u>Times</u>, 28 Mar. 1949 N.Y. <u>Times</u>, 20 Mar. 1949 25.

and Belgium's valued "hard currency" is hoarded and used for only necessary purposes -- her gallant experiment in a free economy, much admired by her Marshall Plan benefactors. may be doomed to failure. 26 It is for this reason that Western European economic union, even more than Benelux union, is particularly a matter of extreme significance to the Belgians. Benelux may possibly make the Belgians less dependent upon foreign trade for their existence through the absorption of the agricultural surplus of The Netherlands and a possibly better balanced industrial structure. But if the free economy policy is pursued by Benelux it would only result in a stichtly larger island of free economy, still dependent upon a considerable proportion of foreign trade for its existence and still faced with the increasing pressure of competition of state controlled and subsidized industries. It is for this reason that Belgium is taking the lead in pointing out to ERP administrators that the economic integration of all of Western Europe is more important in relieving European dependence upon American dollars than are the increasing production and export figures of the individual nations. which only indicate sharper competition among separate national economies. 27

<sup>26.</sup> Ibid.

<sup>27.</sup> Ibid.

The post-war financial policy of The Netherlands followed a markedly different course. The existing industries had been virtually destroyed and the valuable overseas possessions cut off, leaving the Dutch no alternative but to strictly regulate their import market for need of adequate exchange and closely ration and control food and raw materials in order to hold orices down. 28 Continued disruptions in the Dutch East Indies plus the breakdown of the highly important pre-war Dutch-German trade 29 has not only reduced the standard of living of the Metherlanders but their inability to get on their "economic feet" by an expansion of their export trade has materially weattened the Dutch guilder. 30 A sharp appreciation of the value of the guilder has recently been reported. 31 however, which is probably attributable both to generous Eelgian credits, extended with an eye to alleviating some difficulties of Benelux unity. 32 and the assistance and encouragement of ERF funds. 33

29.

Cf. Harold H. Hutcheson, "Benelux: Unity In A Divided 32.

<sup>28.</sup> 

David T. Roberts, "The Dutch-Belgian Economic Union,"
Foreign Affairs, 25:4 (July, 1947), pg. 692
Harold H. Hutcheson, "Benelux: Unity In A Divided World,"
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In The Low Countries," Foreign Folicy Report, XXIV:4 30. (1 May 1948), pg. 44 N.Y. Times, 4 Apr. 1949

<sup>31.</sup> 

World, "Foreign Folicy Report, XXIV:4 (1 May 1948), pg. 48; N.Y. Times, 14 Mar. 1949; and N.Y. Times, 4 Apr. 1949 Cf. N.Y. Times, 13 Mar. 1949; N.Y. Times, 14 Mar. 1949; and Harold H. Hutcheson, "Benelux: Unity In A Divided World," Foreign Folicy Report, XXIV:4 (1 May 1948), pg. 48 33•

The application of the problems of the Benelux fiscal gao to the multitude of policies that presently exist in the numerous countries that compose Western Europe presents a problem of considerable magnitude. It appears obvious that, although feeble efforts are being made to conclude economic agreements between some of the Western European nations, few, if any, of these nations are psychologically attuned to the necessity of pursuing the idea of economic integration to its ultimate ideal. The bonds of economic nationalism still manifest themselves in such goals as was reported by Clifton Daniel recently in the New York Times: Raising the proportion of British exports to the United States and Canada in an effort to remedy the "crucial problem" of the country's dollar deficit will be the most important single aim of British economic policy this year, the Treasury stated today in its Economic Survey for 1949. objective this year will be to increase exports to the United States and Canada 50 per cent above the 1938 figure. 34 This trumpeting, by one of the most nationalistic minded of the Western European economies, reveals a number of very significant factors. In the first instance, it indicates that Britain's state-oriented economy is planning an all-out competition in the American market with all the other Western European countries who are also eager to increase their dollar supplies. The American market, on the other hand, will continue, as it has in the past, to be extremely limited to foreign exports since the war has greatly expanded American production facilities to the extent where, once

<sup>34.</sup> N.Y. Times, 16 Mar. 1949

supply has caught up with demand (as it appears to be doing now). domestic production is liable to saturate the market. Further, American technological superiority and closer proximity to raw materials often puts foreign producers at a marked disadvantage, not only on U.S. domestic markets but also on foreign competitive markets. Another factor that must be considered is the return of the buyer's market in the United States which will mean that domestic producers who are at a competitive price disadvantage with foreign producers will apply pressure for higher protective tariffs. Although such a policy may be somewhat unjustified from an international viewpoint, it is a logical outgrowth of the epidemic disease of economic nationalism. In its essence. the present British program is simply a reconstitution of the disastrous pre-war economic policies of all nations, but it suffers from the additional evil of being assisted by the United States through ERP aid.

Britain's proposed economic program for 1949 reveals, in the second instance, that such nations as Belgium and Luxemburg, who are conscientiously endeavoring to follow a free economy program leading to ultimate Western European economic integration in compliance with the ideas of the framers of the Foreign Assistance Act of 1948, may be completely squeezed out of the export market in which their production and Britain's production compete and upon which they depend for their existence. The small, free economy

nations would appear to have only two alternatives: (1) they could establish a state controlled economy themselves, which would not only be distasteful to their ERP benefactors but would not be as effective as it might be since Benelux would be a Johnny-come-latery on an export market already tied up by a series of bilateral trade agreements from the present state-control countries, or (2) they could continue to get economic assistance from the United States in order to bolster their program of free enterprise, an alternative not likely to be looked upon too favorably by the United states Government. A third alternative presents itself, of course, in the complete integration of the Western European economy and, as things are presently developing, it would appear that it is incumbent upon the United States, as suppliers of recovery aid, to insist upon this program of economic integration. Such a program, while not necessarily implying a free economy for all of Western Europe, would assist the tendency in that direction by eliminating a large series of competing economies and the concomitant feeling for the necessity for state control in order to meet that competition.

Another significant item in Britain's proposed 1949
economic program is the complete omission of any thought
of ultimate Western European economic integration. Its
paramount objectives are indicated to be: (1) Increasing
sales to the United States and Canada; (2) expanding production;

(3) bringing down costs and improving quality and productivity; and (4) battling inflation "with all the weapons used successfully in 1947 and 1948" (viz. continuance of the high disinflationary rate of taxation). The only official gesture made by Britain towards cooperation in the economic sphere is found in the Brussels Fact of 17 March 1948 which reads:

Convinced of the close community of their interests and of the necessity of uniting in order to promote the economic recovery of Europe, the high contracting parties will so organize and coordinate their economic activities as to produce the best possible results, by the elimination of conflict in their economic policies, coordination of production and development of commercial exchanges. 36

As a statement of cooperative policy it appears to be somewhat belied by the aims of the 1949 Economic Survey, although it may well remain a goal to be achieved in the long run.

It is held by one writer that two things have militated against Britain taking the lead for a new policy of economic integration. The maintains first that the United States exerted considerable pressure on Britain during the war years to return to an economic policy of the Manchester school of liberalism which is still in high favor with U.S. laissez-faire advocates today, although the present

<sup>35.</sup> Ibid.

<sup>36.</sup> Text of Brussels Pact, <u>U.S. News-Norld Report</u>, (26 Mar. 1948), pg. 70

<sup>37.</sup> Thomas Balogh, "The Outlook For Britain," Foreign Affairs, 26:4 (July, 1948), pg. 677

official policy of the United States Government, as expressed in the European Recovery Program, tends toward a collectivist concept. A second deterrent to British leadership alleged by this writer was "... the inability and unwillingness of Mr. Churchill to face the consequences of the war on the economic side and thus to face an analysis of the military strength of the country ... (necessary conditions to realize a program which) presupposed meticulous preparation and intimate political relations between Britain and Western Europe." 38

Despite this measured criticism of Conservative economics and the evidence of continued economic nationalism by the Labour Party a few other factors need consideration before heaping all the blame upon Britain for sabotaging the development of the New Program for Western Europe.

It should be noted that the initiative for the development of Western European unity, which stands today as the first concrete move in the direction of that unity (viz. the Brussels Pact), was a direct outgrowth of Foreign Minister Ernest Bevin's speech of 22 January 1948 that the "... time was ripe for the consolidation of Europe "39 Ithough, to be sure, this vague allusion did not appear to indicate an overwhelming enthusiasm for the new project. As early as

<sup>38.</sup> Ibid., pg. 677

<sup>39.</sup> N.Y. <u>Times</u>, 23 Jan. 1948

1927, however, Bevin went on record as an advocate of unified economic services in Europe. <sup>40</sup>It should also be observed that Britain is playing a big role in the OEEC which is studying the ideas of customs unions, payments agreements, free manpower movement, and the development of the Continent's hydroelectric potential. <sup>41</sup>

A further deterrent to English initiative in the economic field lies in Britain's relationships with the Commonwealth, now slightly strained by political problems (which will be discussed later in this paper). Economically, the British see a greater degree of compatibility between themselves and the Commonwealth, because of the establishment of the sterling trade area and already well developed channels of trade, than among themselves and the divergent and offtimes less stable economies of Western European nations. On the other hand, many Commonwealth statesmen see a distinct advantage in the Commonwealth having economic ties with Western Europe which will not only increase their own trade outlets but will perhaps provide greater security for Eritain for whose defense most of the Commonwealth nations feel somewhat responsible. At the same time, Australia

<sup>40.</sup> Grant S. McClellan, "Eritain and Western European Union,"
Foreign Policy Report, XXIV:11 (15 Oct. 1948), pg. 124, n. 11

<sup>41.</sup> Ibid., pg. 129 42. N.Y. Times, 19 Dec. 1948

<sup>43.</sup> Grant S. McClellan, "Britain and Western European Union,"
Foreign Policy Report, XXIV:11 (15 Oct. 1948), ng. 130

and New Zeeland are particularly concerned how such a union will affect their own market in Britain, which is their main export outlet today. 44

Unquestionably, the tremendous size of the British Empire and the importance of Britain's position as the center of the sterling area will create major problems for Western European economists. Britain obviously has considerable justification for wishing to preserve her own economic stability by a concentrated production and export program since her own stability or instability will certainly affect major portions of the world. But it is also because of the importance of the British Commonwealth and Empire in the world's commercial market that her assistance to Western European economic integration is most needed. The Commonwealth and Empire will not only furnish excellent markets for Western European production and furnish sources for raw . materials (as well as certain necessary finished goods) but will also provide the union with a stable currency system which will help free all of them to some extent from dependence upon the dollar.

The French, as compared with Britain, are pursuing a somewhat more direct cooperative line. France's continental position and the fact that her territory was invaded thrice

<sup>44.</sup> Ibid., pg. 130

by Germans in seventy years has made security the dominant factor in her foreign policy. Security means not alone military protection but is reflected in political and economic aspects as well. There are indications that the Fourth Republic is eschewing the post-World War I idea of the complete economic subordination of Germanv. 45 However. France continues to be apprehensive about Germany's potential industrial superiority, both from the standpoint of military strength and in terms of her own recovery. As an example of the latter it may be observed that the Ruhr coal keeps France's basic industries in operation. If this coal is used in major part to keep the Ruhr industries operating it not only strengthens Germany militarily but also closes French industries. causes unemployment, weakens France's competitive position, and creates domestic political problems. It is thus that France becomes one of the principal advocates not only of internationalization of the German Ruhr but of all of Western Europe.

Internal financial instability, caused largely by disruptive strikes (partly Communist inspired) and a multiparty political system that cannot deal adequately with financial problems, combined with an inflation resulting from four years of German occupation and a real postwar

<sup>45.</sup> Andre Philip, "France and the Economic Recovery of Europe," Foreign Affairs, 26:2 (Jan., 1948), pg. 331

shortage of consumer and producer goods, would have at any rate made it difficult to integrate France's economy into that of Western Europe. Just as Belgium is finding it necessary to prop up the economy of The Netherlands 46 in order to secure greater effectiveness with the Benelux Union so, too, would it be necessary to bring France's economy more in line before Western European economic integration could be properly achieved. There is increasing evidence, however, that France's monetary position is becoming more stabilized, 47 due in a large measure to ERP assistance in increasing production and bold deflationary measures by the Queuille Government. The latter scheme was accomplished largely by a successful five percent Reconstruction Loan which revived confidence in French currency and caused a slump in the price of gold and of the dollar on the free market in Faris. 48 This deflation has had a complementary effect of reducing food prices, eliminating the need of much food rationing, and thus getting rid of much black market speculation. 49

It has been reported that the Benelux Economic Union is considering plans to extend its union to France and Western Germany. This would represent a big step toward

<sup>46.</sup> See note 32

<sup>47.</sup> N.Y. Times, 3 Apr. 1949

<sup>48.</sup> N.Y. Times, 28 Mar. 1949

<sup>49.</sup> Ibid.

<sup>50.</sup> N.Y. <u>Times</u>, 24 Mar. 1949

the economic unification of Western Europe since France already has a customs agreement with Italy, the making of which is ultimately intended to bring a freer flow of trade between the latter two countries. 51 Some problems under consideration in the French-Italian accord include: (1) an adjustment in currency parity to wipe out France's export deficit; (2) an adjustment of the competitive economies of the two countries to make them more complementary; (3) a discussion of the wages of Italian workers in France; (4) an agreement for the de-blocking of liquid assets; and (5) an increase in the ceiling limit on the payments agreement between the two countries so as to ease the situation for France. 52 These discussions are being undertaken in order to stimulate trade between the two countries which has lagged because of France's inability to make payments for Italian goods. It is significant to note that the measures being considered by these two Latin nations are consciously designed to be something more than merely temporary in nature and represents something more lasting than the extension of a loan for purchases of Italian products.

Complete unification of the two economies, or of all Western European economies, will not be realized until a common currency is established for the whole area. The

<sup>51.</sup> N.Y. <u>Times</u>, 25 Mar. 1949

<sup>52.</sup> Ibid.

chances for this appear to be rather remote at the present time. One school of thought argues in favor of this plan while United States aid is still available to cushion the shock of industrial dislocations and consequent economic maladjustments.that would certainly follow in some of the presently defined national areas. 53 While the establishment of a common currency probably would do more than anything else to integrate the economies of Western Europe into a single system, it would temporarily create unemployment in industries now protected by exchange control regulations; modify state taxing systems, and affect social experimentation. 54 On the other hand, it would reduce the number of competitive units, use ERP aid for industrial readjustments and unemployment cushion, equalize the living standards of peoples of different states, and probably improve Western European productivity to an extent where it would be not nearly so dependent upon U.S. aid as at the present time. Finally, Western Europe might be in a better position to withstand outside idealogical and commercial pressures.

There are many economists who feel that it would be better to leave Britain out of any such Western economic union that envisages a common currency for Continental Western European states since the geographic limits of the

N.Y. Times, 7 Apr. 1949

British sterling bloc is so great as to cause world-wide repercussions if tampered with in any way. 55 Other economists fear, however, that Britain may try to hamstring continental attempts towards economic unity because it might affect the stability of her own currency. In the event that such continental economic unity is accomplished, the Western world would be reduced to three major currency blocs, the dollar, the sterling, and the continental currency. If this condition should be realized the negotiation of trade treaties will become easier and channels of trade will be freer. The temporary dislocations, created by the establishment of a common currency, may well be more than offset by the advantages of a larger trading area and a better integrated and non-competing economy.

A further problem of major importance in the consideration of Western European economic integration is the disposition of the colonial empires of the nations concerned. Generally speaking, colonial empires have proved to be costly enterprises, excepting for the strategic advantages derived from them in time of war. Yet the nationalistic pride of empire may well make nations reluctant to part with their long established, if economically unsound, bits of empire. If Western European unity reaches the stage of development conceived by those who dream of such unity the

<sup>55.</sup> Ibid.

continuation of nation empires will represent a mere anachronism. The ideal settlement of the colonial problem -- assuming that colonialism is a continuing problem -- is to make such colonies the common oroperty of the entire Western European Federation. In such an event, the colonial empire, with a common currency base, would stand in relation to the Federation much as the sterling bloc nations stand to Britain today, at least insofar as economic policy is concerned. A common approach to the political and economic backwardness of colonial areas would also tend to develop greater productivity through the establishment of integrated enterprises in the manner of the mother country, the development of common production facilities for adjoining areas (e.g. electricity and irrigation production), and a higher standard of living through increased trade outlets, which in turn increase productivity.

Although a colonial settlement of this type is essentially a political settlement insofar as the disposition of the individual colonies is concerned, its consideration is both a prerequisite to any plan of complete economic integration and a necessary result of the consummation of such a plan of unity. The former is true since any plan which envisages a single currency for a whole federation would find it economically impossible to maintain separate national currencies for individual colonial possessions. It is at the same time a result of the idea of destern European unity

since such a plan of colonial unification would necessarily presuppose a common understanding among the colonial powers of Western Europe. From an economic standpoint it is essential that colonial unity, as well as Western European unity, be achieved. This is true because such areas can not only produce agricultural foodstuff and raw materials which will greatly assist Western Europe in becoming more independent of the dollar area but it may also decrease unrest in these downtrodden areas by raising the living standards of the population and make them less of a target for Communist infiltration and agitation.

This study cannot pretend to consider all the multitude of problems that do now confront and will confront the Western European nations in their attempts to bring about a complete integration of their various national economies into a single, unified, non-competing system. It is sufficient to point out some of the major difficulties facing these nations in order to indicate that the problem is extremely complex and involves many material sacrifices by the nations concerned. Yet necessity should make for many a new invention. The necessity of continued existence as self-sufficient and self-respecting individuals makes the development of Western European economic unity imperative. Most students of world affairs will agree with a distinguished British economist who concludes that "the creating by conscious and coordinated planning of a huge common area comprising Western Europe

and its related overseas territories, based on much the same social goals and faced with much the same problems, must be attempted if the world political and economic equilibrium is to be restored."56

## III. POLITICAL DEVELOPMENT

Jestern European federation as something separate from the military and economic sphere is as artificial as are the boundaries that divide Western Europe into sixteen separate national states. But since this paper is intended as a study of problems rather than of solutions it may be possible to suggest some problems which lie either wholly or largely in the political sphere or which would have to supplement economic or military agreements.

Folitical development of a unity program necessarily suggests understandings among nations. These understandings may be regarded as political relations expressed in the form of treaties. To speak of purely political relations relative to unification we mean such treaties as those which establish a governing institution, legal but non-economic regulations among the peoples, and machinery for the continued operation of the government. Since such relations necessarily begin with the existence of sixteen separate national states the

<sup>56.</sup> Thomas Balogh, "The Outlook for Britain," Foreign Affairs, 26:4 (July, 1948), pg. 677

first problem to be posed is the degree of political integration which may be conceded by the separate states.

The initial problem is complicated by a variety of circumstances, some tangible and others intangible. The most persistent of the latter type is the problem of nationalism as embodied in the idea of state sovereignty. A general. though not invariable, rule most applicable to modern nations is that the idea of state sovereignty varies directly with the power and influence of the nation in international relations, i.e. the more powerful and self-sufficient a nation is the more liable it is to defend the idea of state sovereignty. Thus it is that the United States and Russia are the two nations today which are most unwilling to modify the United Nations Charter in the direction of elimination of the veto power. Thus it is also that the nations which have been in the weakest position are the first to consider the efficacy of unity. France, with an exposed continental position, has always been in the forefront of unity programs. When strongly aggressive she has protected herself by an alliance system and when militarily and economically weakened (as at the present time) she turns to a unfiltration idea favoring' surrender of state sovereighty. It is interesting to note that throughout modern history, from Le Grand Dessein of Sully in the seventeenth century through the ideas of Abbe de St. Pierre, Manoleon, Proudhon, Faul Valery, and Briand, Frenchmen have pushed the plan for a

continental union in some form or another. 57

The British, on the other hand, heretofore extremely powerful and relatively isolated, have, prior to the twentieth century, stayed aloof from alliances and have, in general, been officially cool to programs of unification. Lord Acton was one of the Britishers during the glorious days of the Empire who observed:

The combination of different nations in one state is as necessary a condition of civilized life as the combination of men in society ... Where political and national boundaries coincide, society ceases to advance, and nations relapse into a condition corresponding to that of men who renounce intercourse with their fellow-men. The difference between the two unites mankind not only by the benefits it confers on those who live together, but because it connects society either by a political or a national bond, gives to every people an interest in its neighbors, either because they are under the same government or because they are of the same race, and thus promotes the interests of humanity, of civilization, and of religion. Do

With the decline of both British power and isolation through the devastations and technological developments of two world wars it is not surprising to find statesmen of a nation long accustomed to playing a leading role in world affairs taking the lead in forging a union for Western Europe. Winston Churchill, normally regarded as the personification of British imperial conservativism but who cannot be sold short as a statesman of keen foresight, has taken the lead in the movement toward Western European

58. John Emerich Edward Dalberg-Action (Lord Acton), Essays On Freedom and Fower, (Boston, 1948), ng. 186

<sup>57.</sup> Cf. Rene Courtin, "French Views On European Union," International Affairs, (Jan., 1949), pg. 8

unification. In 1946 at Zurich this doughty British wartime leader declared: "We must build a kind of United States of Europe. In this way only will hundreds of millions of toilers be able to regain the simple joys and hopes which make life worth living." 59

Although Mr. Churchill heads the United Europe Movement, which is a powerful unofficial force for European unity, the first official impetus for unification came from the British Foreign Secretary, Ernest Bevin, in an address to the British House of Commons on 22 January 1948. On this occasion, after surveying fully the Russian policy of obstructionism since the conclusion of the war, Mr. Bevin made the declaration "I believe the time is ripe for a consolidation of Western Europe." This address was the motivation for the Brussels Fact of 17 March 1948.

It is most significant that the plan for Western European unity is being promoted by leaders of both major political parties in Great Britain, similar to the so-called bipartisan foreign policy in the United States. However, also as in the United States, it is most probable that such cooperation is promoted more by mutual fear of Soviet Russia than by positive, constructive plans. This idea is reflected in

<sup>59.</sup> Text of Mr. Churchill's Zurich address, Andrew and Frances Boyd, <u>Mostern Union: A Study of the Trend Toward European Unity</u>, (Mashington, 1949), pg. 110

hr. Bevin's remark that "... all these developments (of Soviet encroachments) which I have been describing point to the conclusions that the free nations of Western Europe must now draw closely together."51 In this condition of fear lies one of the greatest deterrents to Western European unity, assuming that such fear is universally felt, since it leaves the initiative to Soviet Ryssia. If, for tactical reasons, Russia should chose to become more conciliatory towards the Western nations the old anteronisms that have historically blighted the relations between England and France, France and Germany, and England and Italy may easily soring up again and redound to the benefit of Soviet Russia. If, however, the union is conceived as a positive force to reestablish the standard of living of the population and create for the people, as Mr. Churchill says, a condition in which "... hundreds of millions of toilers (will) be able to regain the simple joys and hopes which make life worth living," the chances for the ultimate success of the union are considerably increased.

The number one problem of political unity, therefore, resolves itself into a problem of the will and good faith of the nations concerned. If British connercial hegemony, or French security interests against Germany, or Italian

<sup>61.</sup> Ibid.

<sup>62.</sup> See note 59

prestige become considerations of greater importance to the nations concerned than the welfare of the peoples of the various nations as a whole, the unification movement will only wax and wane as the Soviet Union may consider it to be in her own best interest. Only in the military sense should unification have a negative connotation, since otherwise military unification would suggest an aggressive, warlike policy. Positively conceived and created, Western Europe, together with the colonial empires and the Commonwealth of Nations, could become a tremendous force for the development of a worldwide improvement in the standard of living of all peoples in the manner envisaged in the controversial Point Four of Fresident Truman's inaugural address of 20 January 1949. Negatively conceived, a Western European Union would be little more than a process of plugging the dam until eventually the dam breaks down -- assuming that the holding process could hang together that long.

Aside from the psychological complications of a unification program a large number of practical political obstacles must be overcome before unity can become an actuality. One of these problems is the present political stability of the national states concerned in the unification movement. Inashuch as unification demands progressive cooperation of the participating nations over a considerable period of time it would not be difficult for a nation with an unstable political structure to frustrate the accomplishments of the

planners. In this sense the European Recovery Program is making a real contribution to Western European unity by helping to bring production in line with demand. The result is a stabilizing of the financial structures of the governments and, thereby, increasing the satisfaction of the population. This observation would logically lead to the conclusion that economic stability is a prerequisite for unification. This is not to infer that economic stability is the sole factor making for unity, however, since consideration must be given to such factors as the need for security, cultural affinity, and numerous other factors.

In the realm of political instability France is probably the most uncertain factor, although the past nine months have seen a greater degree of political accord in France than for many years passed. Fart of this may be credited to the leavening effects of the European Recovery Program, part to the bold measures taken by the present Queuille Government to narrow the inflation gap, and part to the extravagances of the Communists which have weakened the pressure on the Center coalition by the parties of the extreme Left and Right. The latter group has maintained its strength primarity as a last-ditch alternative to increasing successes by the Communists. Consequently, a weakening of Communist strength may mean a decrease in the strength of the Right wing DeGaullist forces, although it is a little early to test the actual validity of that observation.

There are, nevertheress, continuing factors in France's political structure which make for greater instability than elsewhere in Western Europe. The multiplicity of political parties exists in France to a greater extent than elsewhere in Western Europe which makes the establishment of stable coalition governments difficult, since disagreement on even minor issues by one of the coalition parties often breaks up the government. Italy also has a large number of parties in its political system but the danger of failure is not as great as in France since three or four parties dominate the voting and a predominant majority of the parties are as one on most of the major issues. further weakness of France's political structure is the lack of a strong executive to give firm direction to French policy. This, of course, may be considered both as a weakness and a strength since the multiparty government, without a strong leader, has a tendency to be more directly responsive to the will of the people. But a policy of unification with other nations demands a unity of purpose within a nation itself which can best be gained through the strong leadership of a single person. Otherwise the relations of the nation would be more subject to the cross of ideas of the various parties.

Another factor in France's political instability is the tendency towards greater extremism in politics than elsewhere in Western Europe. The present situation of a Center coalition holding the precarious balance between the dictatorial propensities of two extreme parties is rather common to French politics and is a natural, though not necessary, outgrowth of the multiparty system. Extremist parties of the present Right and Left wing variety make the continued existence of the Center coalition in some measure dependent upon the actions of the extremist groups. This danger may be heightened when the extremist groups cooperate to upset the Center balance and leave the field open for themselves to fight for the spoils of governing. If the Center coalition does not have a clear majority over the two extremist groups combined, the demands upon the coalition are twofold: (1) to develop measures which will assure the support of the people and retain the coalition's parliamentary majority; and (2) to keep the coalition from breaking down through minor disputes over policy measures.

There would be little question regarding the fate of a Western European Union should the Left wing gain control of the Government in France since the French Communist Party leaders have made known their allegiance to Moscow and the Soviet Union clearly regards the Western unity movement as directed against them. 63 It is a little more

<sup>63.</sup> Cf. "Steps Towards A United Europe," <u>U.S. News-Morld Report</u>, (13 Feb. 1948), pg. 20, and Alexander Galin, "Europe: Split Or United?" <u>Foreign Affairs</u>, 25:3 (April, 1947), pp. 408-20

difficult to ascertain General De Gaulie's position in he were to gain control of the French Government. A De Gaullist spokesman quotes the General as saying, "Let us assume the leavership of those who wish to reconstruct a free and balanced Europe, utilizing, under conditions that respect our independence, any assistance that outside Fowers, especially the United States, may be able to give us." On the same occasion the spokesman observes that

We conceive of a European federation as a regional organization within the world-wide United Nations framework. Obviously, a part of the federal sovereignty of each regional group should be given up to the world authority, exactly as a part of the national sovereignty of each individual state ought to be given up to the regional federation ... it is France's duty, as we understand it, to attain a federated Europe, and secondly, to produce close cooperation between the New Europe and the United States.

One who would accept these representations in good faith should at least attempt to square them with other extremely nationalistic utterances of the leader of the RF before concluding that De Gaullish would mean a continuance of the Western European unification program.

A political problem closely allied to French governmental instability is that of the relationship of Nestern
European countries, especially Britain and France, to Germany.
This problem originated in the Industrial Revolution which

<sup>64.</sup> Jacques Soustelle, "France, Europe and Feace," Foreign Affairs, 26:3 (April, 1948), pg. 499
65. Ibid., pg. 504

saw England get a head start over continental nations in industrial production and commerce. It was accentuated after 1870 by the unification of Germany and the establishment of a single large market for British industrial products. Thus the value of Germany for Britain lies in its usefulness as a customer of major proportions. To France, however, lying adjacent to an increasingly powerful and aggressive German nation and not as dependent upon industrial exports to Germany as is Britain, the item of concern is that she has been the victim of three aggressions by her near-neighbor in the past seventy years. For France the orimary consideration is therefore security rather than commercial interests.

The conflict of policy entailed by these different interests is obvious. After each war the British desire to reestablish German industry in order to increase the purchasing power of the German people that they may be able to buy more from British manufacturers. After each war the French desire to see German heavy industry suppressed in order that she can not rearm for another conflict of which France would again be the first victim.

A further conflict is discernable, however. In bygone days, when Great Britain held the balance of power, it was her invariable rule that no single nation on the Continent should become so powerful as to be able to dominate the Continent. After the Napoleonic conquests Britain showed

a tendency to favor Frussia and German unification as a counterbalance to a renascent French ambition. Following the Franco-Prussian War and the rise of a new continental power, Britain slowly turned to the support of France, but the crushing of Germany in the first World War again made France dominant and Britain once again turned toward Central Europe, creating an additional point of antagonism between the two major Atlantic Powers.

The present decline in Britain's balance of power position, added to her war-created economic impotency, has made the prospects for an understanding between France and Britain somewhat brighter and is probably manifested in the lead being taken by British statesmen towards Western European unity. The two nations have recently signed a series of agreements, together with the United States, concerned with the development of the Ruhr. Furthermore, the new occupation statute for Western Germany is not only a recognition of a newly found community of interests towards Germany but is also a substantial step toward the unity of all of Western Europe, since it removes obstacles in the way of better understanding among the nations. Although Germany will most likely continue to be a bone of contention among the Western Powers for some time to come, the agreements already reached transcend the differences that existed in the entire period between the two wars.

The ultimate solution should be the integration of Western Germany's economic and political machinery into that of the Western European Union to the extent that it loses its identity as a sovereign national entity. If this can be accomplished British commercial interests and French security concerns could no longer remain a factor and the welfare of Western Germany would become a community concern of the Western European Union. The problem of political integration will perhaps be more difficult to achieve than that of economic integration in Western Germany's case because the latter means primarily the development of mechanisms of trade which can be imposed by the occupying Fowers, if they chose to do so. Political integration, on the other hand, requires acceptance more in the way of thought than of mere mechanisms and is generally more difficult to impose upon people from above. The acceptance of political unification will require the breaking down of the extreme nationalistic mentality which is so characteristic of Germany and most of Europe. The role of Western Germany in any Western European Union may well be determined by the policies implemented by the occupying Fowers, and especially by the measure of understanding among them with respect to the reestablishment of the government. There is general agreement, nowever, that a Western European Union will not function effectively without Western Germany and the Ruhr playing a role in it.

One of the major problems of Western European unity is the degree of support given the program by Great Britain. Although, as has already been pointed out, British statesmen are taking the lead in getting the unity program under way, there are other factors which would indicate British rejuctance to follow their own lead. Mr. Bevin's speech of 22 January 1948, 66 while rejuctantly conceding the necessity for Western European unity, gave the appearance of not expressing too much enthusiasm for it. On this occasion he remarked:

It is easy enough to draw up a blueprint for a united Western Europe and to construct neat looking plans on paper. While I do not wish to discourage the work done by voluntary political organizations in advocating ambitious schemes of European unity, I must say that it is a much slower and harder job to carry out a practical program which takes into account the realities which face us, and I am afraid that it will have to be done a step at a time. 67

A policy of slow deliberation surely has much for which to commend itself but there are also dangers inherent in that type of policy. It lends itself more to Russian initiative in pressure moves to affect the desires of Western European nations toward unification. It permits Western nations a time interval sufficiently large enough to get back on their "economic feet" and to lose their enthusiasm for the benefits of economic integration. It permits a greater interval of time in which changes in governments might develop which

<sup>66.</sup> N.Y. <u>Times</u>, 23 Jan. 1948

<sup>67.</sup> Ibid.

could become hostile to the idea of cooperation. It might engender a feeling of hostility towards the idea of unification among people who feel impatience over its tardy realization. Finally, the impetus for unification, and facilities for so doing, are largely contingent upon Marshall Flan funds which are scheduled to be discontinued in 1952. By that time economic integration, at least, should be so developed as to considerably alleviate Western European dependence upon dollar sources. Moreover, continued appropriations of ERP funds are being authorized by the United State's Congress with the understanding that the Western European nations take steps towards unification. Lack of enthusiasm for unification on the part of Western European nations might seriously affect Congressional disposition towards the appropriation of further funds.

It is nevertheless true that unity cannot best be achieved by unconsidered haste. The problems involved are tremendous and poorly conceived solutions may do the cause of union more harm than good. A consideration of the foregoing factors, among others, should be made in the continuing development of unification plans in order that the whole program does not end in complete frustration. If Mr. Bevin's apparent reluctance is grounded in skepticism over the efficacy of the whole unification plan the damage to the plan may be just as great as if too much haste were applied.

Another political problem relative to Britain's part in Western European unity plans is the role of the Commonwealth nations. Unique among all the world's nation-systems, the Commonwealth of Nations has "... no constitution and no common council with powers sufficient to produce a concerted. still less a common foreign, economic, or defense policy ... 68 The actual strength and effectiveness of the Commonwealth group lies in the sharing of common ideas and ideals, such as political freedom and certain commercial interests. extension of these common interests to a European group of different historical backgrounds, individual temperaments, and conflicting interests may well tax the loyalty and mutual understandings within this group of nations. If the Commonwealth nations should give evidence of opposing British participation in Western European unification it may be assumed that Eritish leaders will think twice before consenting to the disintegration of the Commonwealth. would be relatively simple for the British to coordinate a constitutional structure with a Western European program but a unity of ideas and ideals will have a more permanent significance if it can be achieved, since the willingness to acide by political agreements is every bit as significant as the agreements themselves. Such a unity might also have the obssible advantage of nodifying internal Commonwealth

<sup>68.</sup> Nicholas Mansergh, "Fostwar Strains On the British Commonwellish," Foreign Affairs, 27:1 (Oct., 1948), pg. 120

difficulties of the nature of the French-Canadians in Canada and the Dutch in the Union of South Africa.

Fortunately for federation plans there are indications that the Commonwealth nations look with favor upon the integration of Britain and the Commonwealth into a Western European Federation. Canada has already taken stops in the direction of closer unity with the Western European nations by affixing her signature to the North Atlantic Defense Fact. Australia and New Zeeland approve of British adherence to the proposed federation provided that it does not too severely affect their major export market in Britain. 59 The recent installation of an extremely nationalistic government in South Africa has made the position of that Commonwealth nation uncertain at the present time. However, the most significant manifestation of the attitude of Commonwealth nations toward Western European unity came out of the recent meeting of Commonwealth Frine Ministers in London in October, 1948. In a statement of the conference, issued on 22 October 1948, the Frime Ministers said:

The United Kingdom Government outlined the nature of its association with other Western European nations under the Brussels freaty, as a regional association within the terms of the United Nations Charter. There was general agreement that this association of the United Kingdom with her European defense neighbors was in accordance with the interests of the other members of the Commonwealth, the United Nations and the promotion of world peace. To

<sup>69.</sup> Grant S. McClellan, "Britain and Western European Union,"
Foreign Folicy Report, XXIV:11 (15 Oct. 1948), pg. 130
70. N.Y. Times, 23 Oct. 1948

It must be kept in mind, however, that Commonwealth unity of understanding hangs only on the tenuous threads of common interests which, in turn, are only as strong as the ability of the statesmen to reconcile the differences of opinion that may come up. Although the ties of such distant nations as Australia and New Zeeland with Britain have always remained strong the complications wrought by the economic, cultural, and historical differences in the European unification program may put considerable strain on the statesmen in the settlement of differences. If major differences should arise which may not prove reconcilable it could result either in the breakdown of the Commonwealth system or a frustration of the Western European unity program. The Commonwealth problem is not the least of the many political problems facing federation planners today.

A third problem of British participation, largely psychological and not capable of ready diagnosis, is the one of Britain's historic isolation from continental affairs. This is largely a product of Britain's geographic separation from the Continent of Europe and her long held position of the balance of power, which meant intervention in continental affairs only at certain opportune moments in history. Both of these positions were severely strained after the first World War when the advent of air power began to break down her geographic isolation and the balance of power began to swing towards the United States. The inability of British

power to win a final victory over Nazi Germany in the second World War without considerable assistance from the United States was clear cut evidence that Great Britain no longer held the balance of power role in European conflicts.

Nevertheless, the illusion still persists that isolationism, as a historic policy, is still valid in British political relations and a diehard Conservative group, with the Beaverbrook press as its mouthpiece, is strongly opposed to British participation in Western European Union plans. 71 This position suggests that the readjustment to new ways of thinking about the radical changes of power as a result of the two Norld Wars has not been made in certain areas of British thought any more than in some American isolationist centers. Such isolationism in Britain may further be nourished, by the precarious nature of the Commonwealth relations and the relative stability of British political institutions. It can be claimed, in the former instance, that not only is Britain risking the continued stability of the Commonwealth relations by association with a Western European Union but is likewise subordinating a relatively stable and self-sufficient Commonwealth bloc to doubtful experiments in Europe. There is no doubt that this argument has some degree of validity but, like so many arguments of the non-

<sup>71.</sup> Barbara Ward, "Decide or Drift," The Atlantic, 183:2 (Feb., 1949), pg. 20

realist school, also tends to overlook certain fundamental facts. Security is the primary consideration in the modern world where technological warfare has outrun man's social ingenuity. While good relations with distant Commonwealth countries can make a considerable contribution to Britain's security requirements, her actual existence is immediately and directly dependent upon complete unity being established among the Western European nations. Obviously, such a fact need not necessarily exclude good Commonwealth relations but, insofar as security may be considered as of primary importance, should precede such relations.

The British isolationists further maintain that unity experimenters are sacrificing a stable and well-balanced political system which has had a long period of historical development for an uncertain and new political development. The argument again is valid to a degree but again overlooks British needs for security, continued economic stability, and independence from the dollar. In reality, any historical argument has validity only so long as it can safely be reconciled to ever-changing conditions.

It should be observed, however, that while the validity of the isolationists' arguments may be challenged, consideration should be given to the world-wide effect of the integration of Britain with continental countries. It is by no means certain that world economy and political stability will

wealth nations with Western Europe. On the other hand, the benefits of a strong currency system, widespread natural resources, and traditionally stable political organizations may be of inestinable benefit to the security and permanence of the proposed union. It is not the intent of this study, however, to prove the case either for or against integration but rather to indicate the fact that the problems do exist. The political implications of the present problem involve principally the factor of continued Commonwealth stability and the efficacy of integrating totally unlike political systems into a single unit.

One other major political problem still confronts the planners of an Western European Union. This is the problem of agreement on the form the central government should take.

It may be noted that the terms "union" and "federation" have been used interchargeably throughout this study. A third term -- confederation -- might also have been used. This was not intended to compound confusion but rather to indicate that insofar as political plans are concerned the ideas are so nebulous at the present time as to not envision any one particular form of government. Nevertheless, for clarity's sake, these three possible forms of governmental structures should be defined.

A confederation is "an association of Governments, or a league of sovereign states who, under the terms of its constitution, are prepared to collaborate and act together for certain purposes."72 A federation is "... an interstate parliamentary government, deriving its authority directly from the votes of the federal electors, and sarequarding, in the federal constitution, the powers retained by the state members."73 A union, differing from a nation, does not require continuity of territory or unity of race, faith, or language, but does demand "... first of all, common defense, not merely an emergency alliance; then a common law, not merely diplomatic agreements; finally, in the present age, a common economy, within common customs lines. "74 It will be seen that the United Nations is an example of the confederation idea, the United States is a typical example of the federation, and the Commonwealth of Nations probably best typifies the union idea, although certainly not completely so in the latter instance.

There are obvious strengths and weaknesses inherent in each of these organizational ideas insofar as Western European unification is concerned. A confederation would no doubt be the easiest to formulate because the memper

<sup>72.</sup> Lord Davies, A Federated Europe, (London, 1940), og. 16 73. Ibid., pg. 16

<sup>74.</sup> Albert Guerard, Europe, Free and United, (Palo Alto, Calif., 1945), pg. 44

nations national sovereignty could remain intact -- assuming, of course, that European thought has not advanced so far as to consider the idea of national sovereignty outdated. But the national differences displayed in the Locarno Pact violation, German naval rearmament, and the Italian invasion of Ethiopia suggests that confederation, of the League of Nations variety, is not an effective political instrument of cooperation between even such recently friendly nations as England and France. Confederation does not surmount the problem of national sovereignty, and national sovereignty is a powerful tool in the hands of the economic nationalists and the diehard historical isolationists. Confederation is today essentially a doctrine of conservativism, which is not necessarily evil in itself but is inconsistent with the present social upheavals throughout the world. Such a doctrine has its usefulness when conditions are stable and a measureable unanimity of interests is not disrupted by social and ideological conflicts. But when that unanimity is strained by sharp social differences confederation becomes simply a false assumption of good faith. On such a false assumption the United Nations has been conceived. Although the Western European nations have somewhat common social and insotogical buckgrounds, it appears that their actions within the United Nations are presently being notivated principally by a fear of Russian designs. This suggests the possibility that the effectiveness of the United Nations

would be threatened by the retantion of complete individual national sovereignty if the Russian pressure were eliminated or even essed.

In all events, confederation is not a serious consideration among the nations concerned. The present suggestions rather revolve around the idea of union or federation, with a tendency somewhat in the direction of a federation. The United States is frequently pointed out as a prine example for European federation but, like so many analogies, it is not a completely valid one. Federalism in the United States is a historical development, in modern Western Europe it must be newly imposed. Federalism in the United States embraces essentially a single language and culture, in modern Western Europe it must embrace many languages and cultures. Federalism in the United States grew up under a relatively stable two party political system; in Western Europe it faces a conglomerate of two party and multiparty systems. Federalism in the United States has proceeded abase with its economic and communications development, while Western Eurone has a hodge-podge of varying systems. Federalian in the United States has long since come to be accepted as a natural thing by its people, whereas federalism in Western Europe is a novelty of dubious value to not unnaturally conservative minds.

To state the problems are to pose them. By definition,

federalism has already suggested cutting across the lines of national sovereignty. If the foregoing problems of a historical, sociological, political, economic, and psychological nature can be reconciled with authority examating from a single federal legislative unit for Mestern Europe, federalism may be acceptable as an answer to Mestern European unity. But what may be the objections to that form of unity as proposed?

In the first instance, federalism presumes the necessity of maintaining a delicate balance between the powers of the participating states and of the federal government. It is in this sense that the historical development of the United States has preserved federalism as a continuing factor in our national existence, since this division of power has long since been accepted through customs and usage to the extent that the threat of secession is not a matter of concern in the United States today, excepting only in its political implications (e.g. third party state's rights revolts). The tenuousness of a Western European federation, based as it may be largely upon defense against Russian designs, and the dissimilarity of cultural and economic traits, makes the threat of secession a constant possibility in federation plans. A union plan, on the other hand, would so completely eliminate sovereign status as to make individual autonomous revolts the sole threat of disruption. A federation plan could logally circumvent

the threat of secession by making specific provisions against secession in its constitution, but in the final analysis the only real guarantee of this nature is directly dependent upon the spirit and good will of the participating states.

A primary manifestation of this spirit and good will must be the delegation of sufficient enforcement power to the federal government that it may be able, by military force if necessary, to maintain its unity. Such an action obviously implies a considerable sacrifice of national sovereignty on the part of the participating nations but the only alternative is to risk ultimate disunity. Federalism in the United States means the military subremacy of the nation over the state. Elsewise, the history of the United States indicates that the continent would now be a congerie of little, conseting national states. Although it has been previously indicated that the parallels between United States and Western European federations may in some instances be invalid, the validity of the lesson indicated here is fairly obvious. Federalism must very necessarily imply a considerable military limitation on state sovereignty. The problem that arises is in the degree of willingness to limit this sovereignty by the various participating states.

An equally significant manifestation of good will by participating states towards a federal plan lies in their willingness to make economic grants of power to the federal

government. If, for example, the federal government does not receive a sufficient power of taxation any concession of superior military power by the states would have no significance since the federal government could not support the defense force. Further, if the federal government does not receive the authority to establish customs duties and tariffs in trade with foreign nations the participating states may become simply an uncoordinated group of competing units. The genesis of federalism must recognize that the term inclies a cooperative as well as a competitive effort --cooperative with respect to external relations of the federation, essentially competitive insofar as internal relations may be concerned (unless, of course, the federal state is established upon a completely socialized basis).

While substantial concessions must of necessity be made by the participating states to the authority of the federal government it may be seen, by again using the United States as an example, that considerable authority may also be reserved to the participating states. In its Western European application it is especially important that cultural autonomy be preserved without detracting from the necessary authority of the federal government. So, too, the states might be particularly concerned with the development of industries and agriculture (necessarily coordinated with federal plans so as to insure maximum productivity and dollar independence), supervision of

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communications (also coordinated with federal plans for maximum efficiency in transportation), supervision of education and such other enterprises as do not directly hamper the functions of the rederal state in its conduct of foreign affairs and its own continued security.

The problem that arises in this connection, if federalism is to be the answer, is the problem of delegating sufficient authority to the federal government to assure its own security and continued existence and, at the same time, leaving sufficient authority with the participating states in order that their continuing respect and goodwill toward a federal system may be maintained. This is undoubtedly a tremendous problem in statecraft and it must be multiplied many times over when consideration is given to the large group of conflicting interests presently enjoyed by the potential participating nations. In this sense federation is an infinitely more complex problem than either confederation or union. Yet it enjoys the advantage of being more effective and permanent than confederation, less utopian than union.

A second objection to the use of federalism as a program is the difficulty in establishing a plan of electoral representation. Much as the United States, in its early days, struggled with the problem of reconciling the views of conflicting interests in Congress so, too, must the Western European nations now meet the problem head-on. A plan based

entirely upon representation according to population runs the obvious risk of a federation dominated by Big Power blocs and could hardly prove initially acceptable to the smaller, less bobulated states. It is possible that over a period of time, when a feeling of "federationism" rather than state nationalisa becomes predominant, the problem of representation will become less significant (as it is in the United States today). Nevertheless, the problem remains a real one in Western Europe at the present time. Bicameralism in the United States style is the obvious alternative, but it would still allow of domination by the Big Powers in a joint session of both houses of the legislature. However, this latter assumes a Big Power unanimity (which would be difficult to envision between France and Western Germany) and further assumes that legislation will largely be accomplished in joint sessions, which is not necessarily true.

If straight bicameral representation nevertheless proves unsatisfactory to the smaller states it has been suggested that a system of weighted voting, giving preference to the smaller states, be arranged for the house chosen according to population and that wider powers be given to the house with straight state representation to balance the influence of the two group interests. However this problem may be

<sup>75.</sup> Richard N. Coudenhove-Kalergi, <u>Europe Secks Unity</u>, (New York, 1948), pp. 32-33

solved, if indeed it is to be solved, it is obvious that there must be some measure of concession on all sides to the unity of the whole. This will mean surmounting the zealously-protected barriers of the idea of state sovereignty, the anachronism of historic isolationism, and the willingness to sacrifice a measure of political stability for the risk of greater unity. In order to be an effective organization the participating states will have to abandon the "Big Power" concept of nineteenth and twentieth century state relations. The fact of the existence of this problem is in itself a supreme test of the abilities of the nations concerned to get along with each other.

Subsidiary to the problem of representation is that of how such representatives may be chosen. The choices may include the direct election system to both houses (or a single house, however the case may be decided) or, as some suggest, by appointment by the state's executive body to the upper house and direct elections to the lower house. Other alternatives might include nomination by the state legislative bodies or direct appointment to both houses. This problem is not insignificant because upon it rests the delicate balance between big state and little state relations within the federal unit. A plan of appointments would make a delegation of federal legislators directly responsible to the executive power of the state and could make big state political bloc manipulation easier. This would have a

tendency to preserve more of the idea of state soversignty. If the legislators were elected by the member they would tend to represent more directly the changing will of the people (which would, in turn, involve the further problem of their tenure of office) and reflect more clearly the cohesiveness of the federal state. On the other hand, unless the tenure of state and federal legislative and executive members were carefully coordinated and their respective powers clearly defined, elected federal legislators could easily work at cross purposes with their own state organizations.

In brief, the problem confronting federation planners, insofar as electoral processes are concerned, is again the problem of balance between federal and state power and authority. This is the problem that principally differentiates the federal idea from either the confederation or the union idea. If the ultimate phoice lies in the direction of federation, as it presently appears to do, the planners must first admostly the fact that they will have to be more composing than any other type of planners. A federal plan would psychologically logand a more clear out mood of understanding and appreciation of the other state's position to be successful because there is the possible. "I wont play ball" attitude continually present which could easily completely wreck any federation plans. In a confederation non-cooperation on the part of any one momber may affect the

total effectiveness of the organization but it need not necessarily be fatal. In a complete union plan the measures toward integration probably would be so complete that the psychological mood would be tempered by the urgency of the situation, in which event cooperation would not appear as a fundamental problem.

A complete Western European Union does, in fact, smack somewhat of utobianism, albeit its total effectiveness would probably be somewhat greater than federation or confederation because its degree of integration would be considerably more complete. Since genuine union means the complete knocking down of barriers among the nations, the demands of union upon the nations as they exist today do not appear to correspond to the urgency of the situation. Politically, union would not inply representation by states but representatives selected on a union-wide basis: not a reservation of power by state units but a single authoritative government which could delegate authority to smaller units; and not community interests against the interests of the whole but in conformity with the whole state's interests. Economically, it would mean first of all a common currency (not common convertability, which would be an ordinary demand for a federation-type government) for the whole union area. It would further require a complete elimination of tariff, customs, and exchange regulations within the area, a readjustment of industrial development to fit the changed

pattern of economic relationships, and a single fixed economic program with the remainder of the world's trading areas. Culturally, the change to a union-type government would be the least significant. The adoption of a common law and the free movements of people throughout the union would perhaps be the most significant contributing factors to cultural change. While a common language would contribute to unity it would not be an essential factor and would be developed over a long period of time by increased intermingling of the peoples. The problem of race would fall into a similar category. Religion could be a factor for disunity although not necessarily so since most of the Western European nations today have conflicting religious groups which do not affect their individual unity.

Union is essentially an emergency program in the sense that, while utopian in conception, it is a necessity of immediate defense because an immediate danger cannot countenance a concept of separatism inherent in a federation plan. Yet union remains practically an unrealizeable reality because conditions which create an emergency seldom also permit an opportunity for long range planning necessary to make a genuine union possible. Conversely, a long range program for complete union stubs its toe upon a conflict with more pressing immediate individual concerns and interests. Thus, it will be seen that the obstacles in the way of a genuine union are essentially practical, those of a federation

are essentially political, while those confronting a confederation are primarily psychological.

A final minor political problem is posed by a proposed federation of Western European nations in the relationship of this government with the United Nations. If such an organization does develop a central governing body would the Federation as a whole receive a single vote in the United Nations (as does the United States federation) or a vote for each of its member states (as does the Commonwealth of Nationa)? If the former alternative prevailed the voting balance between East and West would be tremendously altered and a possible third bloc (e.g. Latin America) might well become the balance of power in the United Nations. If the latter alternative prevailed the present situation would essentially continue in existence, but it would point up the inconsistency in the United State's position of holding a single vote in the United Nations at the present time.

This is considered a minor problem, however, since the final decision will probably not rest with the Western European planners but rather with United Nations personnel. With the Western nations having the preponderant majority of votes in the United Nations it would appear that the decision in the United Nations would favor a system of one vote for each state in a proposed federation, unless the

Latin American group, in an effort to improve its own position, would vote against a proposal of that nature.

The political problems, like the economic problems, are far too numerous and too changing to be fully treated within this study. Enough has been said to suggest that all obstacles will not have been overcome with the settling of the economic problems and to indicate that, in many instances, political and economic problems may be intertwined. There remains to be studied a third set of problems upon which the successful development of the first two indubitably depends. For, without the security of military defense, the political and economic plans would dissolve into nothingness, in consideration of conditions as they presently exist.

### IV. MILITARY DEVELOTMENT

Basically, the military problems of Nestern European unity are the same as the economic and political problems, viz. cooperation among the nations concerned. But, whereas the latter problems must be positively conceived and executed, the military problem is a negative, defensive proposition which depends largely upon the actions of a potential enemy for its conception and execution. This assumes, of course, that Western European Federation is not to be a militarily aggressive coalition -- which is a fairly safe assumption, at least in its present state of

physical exhaustion.

The need for a military establishment of this type is predicated upon two assumptions. The first assumption is that a Western European Federation or Union. for which unified defense measures will be feasible, will come into actual existence in the foreseeable future and, secondly, that sufficient opposition will exist to warrant the establishment of such an organization. The first assumption obviously cannot be demonstrated at this time. To many minds the second assumption appears to be guite self-evident . in the immediate present. If we accept the second assumption it will be noted that the first is necessarily complementary to it, viz. that unity cannot exist without defense nor can defense exist without unity. The second assumption is valid, however, only insofar as we individually presently consider the Soviet Union a menace to Western beace and security. The evidence since the war seems to indicate that the Soviet Union, while not actually militarily aggressive, has always been more than agreeably willing to establish its supremacy wherever a vacuum has existed. It has further been fairly well established that Soviet pressure diminishes whenever strong opposition is encountered. If these facts from recent history be taken note of, the need for a strong Western European defense becomes clearer.

It may be initially established, therefore, that if a

Western European Federation is to exist there must also be a Western European defense unit. The problem that immediately arises is in what manner and by whom is support to be given to such a unit? There is strong evidence to indicate that the nations of Western Europe are not in an economic position today, even collectively speaking, to give adequate technological force to a modern military defense organization. The five Brussels Fact signers have made a measure of organizational progress towards the formation of a defense union but the arrangement suffers from the fact that none of them have sufficient resources to give it military strength. Furthermore, it is a regional arrangement, limited in scope to the extent that it would be fairly easy for a potential enemy to outflank the unit, and it conflicts in jurisdiction with the North Atlantic Defense Treaty recently signed by the United States and Canada and ten Western European states. The first arrangement is essentially a defense of specific treaty obligations (viz. the Brussels Fact) whereas the second is more specifically applicable to a defense of the unity idea, which derives originally from the European Recovery Frogram. In effect, the United States, by initiating and encouraging the development of the broader North Atlantic Alliance, is taking out insurance on its money investment in Western European economic stability.

The division between the two alliance systems is obviously not as clear-cut as that. In reality, the North Atlantic

Defense Treaty developed directly out of the Brussels Powers defense organization 76 and its European nucleus is the Brussels Fowers group. The problem that first arises from this arrangement is the reconciliation of the Brussels organization with the expanded defense arrangements of the North Atlantic Powers. The second problem derives from the aspociation of the United States and Canada with European defense and a parallel problem is the concomitant necessary close association of the United States and Canada with the whole Western European defense orogram.

The first problem is not especially difficult. The Brussels fowers (Britain, France, Belgium, The Netherlands, and Luxemburg) are plainly in sympathy with the North Atlantic Treaty program since they are all signatories to the treaty. Further, they are all heavily dependent upon the United States for military and in the foreseeable future and will, of necessity, act principally in accord with the ideas of the United States. Obviously, they will give first consideration to their obligations under the North Atlantic Defense Treaty.

This need not suggest that the Brussels military program will become inoperative. The Brussels Power's military organization is established purely as a planning

<sup>76.</sup> N. Y. <u>Times</u>, 3 Apr. 1949

tody composed of the army, naval and air staffs of the five Fowers and is concerned with the stans of defense of the continental territories of the participating powers. It would not be too difficult to extend this planning function to all of the North Atlantic states. To do so, however, would require some changes in the Brussels Treaty. In the first place, Article 4 of the Drussels Treaty calls for automatic military action by all of the treaty members in case any of the Treaty powers are attacked. 78 controversial Article 5 of the North Atlantic Treaty, on the other hand, does not automatically obligate the sigmatories to take military action but "... (each mation) will assist the party or parties so attacked by taking forthwith. individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.  $^{179}$  The inconsistency here is not too formidable. In the event of a conflict the Brussels Fowers may automatically obligate themselves without affecting in any way the obligations of the non-Brussels Fowers. It might possibly affect the attitude of the non-Brussels Powers if five of the North Atlantic Powers should become simultaneously involved in a conflict. The inconsistency

<sup>77.</sup> M.Y. <u>Times</u>, 24 Mar. 1949

<sup>78.</sup> Andrew and Frances Boyd, Mostern Union, (Mashington, 1949),

<sup>79.</sup> Text of Atlantic Defense Treaty, N.Y. Times, 19 Mar. 1949

could, in effect, increase the danger of entanglement of the non-Brussels howers to an extent where they might find the dual obligation undesireable. It is generally felt, however, that an attack on any of the North Atlantic Powers, whether Brussels Fact members or not, would mean general military participation by all of the members in spite of the conditional nature of Article 5 of the Treaty.

A second inconsistency between the Brussels and North Atlantic Treaties is the inclusion in the former of protection only against attacks on continental territories or the United Kingdom, whereas the latter also includes attacks against French Algeria, the occupation forces in Europe, island possessions in a defined North Atlantic area, and vessels or aircraft of the signatory powers within the North Atlantic area. This is not an especially serious discrepancy, either, since one treaty simply complements the other and the more inclusive treaty is operative in all instances covered by the previous treaty. The major difficulty in this case is in an attack on a non-continental territory. Military assistance is not guaranteed in such an instance, a condition which would make French Algeria especially vulnerable to attack -- assuming that the North Atlantic Powers interpret their obligations broadly.

<sup>80.</sup> Ibid., Art. 6

A third inconsistency gives the North Atlantic Powers some consultative and, possibly, military latitude in the intervention in the affairs of other signatory nations if, "... in the opinion of any of them, the territorial integrity, political independence or security of any of the parties is threatened." The Brussels Treaty, however, is not concerned with the "political independence" of the associated members. Thus, any of the Brussels lowers would find themselves in a dual position with respect to other Erussels Fowers. A theoretical condition might be conceived wherein a Brussels Fower, acting under Article 4 of the North Atlantic Treaty, intervenes in an internal affeir of another North Atlantic Power. The question could arise, "would that mean automatic intervention by the other Erussels Fowers under the provisions of that (Brussels) treaty?"

Lost of these arguments, to be sure, are rather academic since it is fairly well established that a common understanding exists among the Brussels and North Atlantic signatories. But the problem of a limited regional planning unit within a larger defense area is a real one since Uniforce, the Brussels Powers military planning unit, is now planning a defense program based upon the use of limited forces in a relatively small segment of the western defense zone. This

<sup>81.</sup> Ibid., Arts. 2 and 4

program could defeat Uniforce's own purpose by leaving allied areas on its portions open to attack and thereby endangering its own security. It could also frustrate the whole purpose of the North Atlantic Defense Alliance by its limited regionalism. The conflict Lotween these two alliance systems is one of the post arguments in favor of a single unified defense program for all of the Western European area, to be coordinated with the political and economic programs for the same area.

A single western European defense organ, in turn, poses a coordinating problem. It should first be decided what nations are to constitute the proposed federation of Western Europe. We presently have a situation where only five nations form the nucleus of the Wastern European Federation (viz. the Erussels Powers), twelve nations (including three non-European states) co. pose the Borth Atlantic Alliance group, and sixteen nations (including four non-alliance states) participate in the European Recovery Program. Before Western European unity can become a reality in any sense of the word a prover coordination of these political, military, and economic alliances must If, for example, Portugal is to be a member of the North Atlantic Alliance then Portugal should also be a member of the Western European Federation, since both are designed to insure the integrity and security of member nations. If, further, Sweden participates in the European

Recovery Frogram she should also become a member of the Alliance, not only because the two programs complement each other but also because the defense of Sweden is vital to the defense of other Western European nations (notably Norway and Denmark), all of whom represent a security investment by the United States. In short, Western European unity must imply complete unity, elsewise defense organizations defend only disunity, economic programs promote economic nationalism, and political planning provides only progressive international amarchy. The unity of all is fundamental to future European security.

The second problem which the North Atlantic Defense Alliance derives from association with the Brussels Treaty is the drawing of the United States and Canada into Western European defense plans. Both strategically and politically the implications of this development are tremendous. Fractically, of course, the Western European states have almost no alternative, since their straitened financial condition makes it virtually impossible either to purchase defense supplies where they are available (viz. the United States) or to produce their own supplies. If defense is to be had it must necessarily be done in league with the United States, in consideration of the Western nations' ideological differences with the Soviet Union.

As necessity becomes the mother of invention, this

A basic condition arising out of this development is the very definite creation of two opposing military spheres in the world, the Soviet Russian sphere and the United States sphere. The tying of Western Europe's military future with Western Hemisphere nations rules out the possibility of a "third force" in the foreseeable future and, if military integration becomes complete even, perhaps, in the unforeseeable future. Article 3 of the North Atlantic Defense Treaty promotes this increasing degree of Western integration by affirming "In order to achieve more effectively the objectives of this treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack." 82

The absorption of Nestern Europe into the United States military sphere does not necessarily suggest that Nestern European unity is impossible or impracticable. Rather, it implies a problem of coordinating the Nestern European defense with not only the defense establishment of the United States but with the whole of the Western Hemisphere, with which the United States is associated through the Treaty of Rio de Janeiro. Obviously, it would be extremely difficult to coordinate Western Hemisphere defense arrangements

<sup>82.</sup> Ibid., Art. 3

with each individual Western European nation. The purpose of Western European military unity thus becomes doubly significant from the standpoint of total Western security.

This problem of general overall coordination poses more problems than this study could pretend to suggest. A major point of contention will arise over where defensive operations, in the event of a war, will begin. The Mestern European nations, for quite sound reasons, are not enthusiastic about undergoing another military occupation and would therefore like the major defensive frontier on the Rhine or Elbe Rivers. The United States Congress, on the other hand, is not particularly enthusiastic about reinforcing the North Atlantic Treaty with an arms shipment program because of the heavy expense involved and the fear of especially antagonizing Russia. This attitude, in turn, gives political ammunition to Rightist leaders like General De Gaulle who decry an antagonistic pact without teeth in it and who use it as opposition material against the present French coalition Government. If defensive operations under the conditions of the Treaty mean, as some United States military experts contend, the initial withdrawal of Western European defense forces from forward positions to behind the Pyronees, the Treaty is not only a shallow document for the Western European nations but it also fails in its incentive to unification initiative, since planned military unity has little significance to Jestern European nations

if the certain result is to be a Russian occupation.

Europe (at least insofar as the military situation is concerned), is further hesitant about souring valuable arms into a Western Europe which at present may easily be taken over by Russia. Flainly, the considerations in this problem are psychological and political as well as military. The problem, basically one of United States active participation or non-participation in Western European defense, is one that can only be solved through considered understanding between the United States and Western European military planners. The military men (notoriously indifferent to considerations other than military) will have to consider other factors in this instance since the entire unification program of Western Europe hinges upon their decisions.

These plans, once again, are rather directly dependent upon the degree of recalcitrance manifested by the Soviet Union and its satellite nations. If any program of defense is to be directly predicated only upon defense against Russia its effectiveness will likely vary in direct proportion to Russia's considered choice as a democratic menace. Russia's military policy, like its political policy, is extremely flexible. It can easily be one thing one day and something completely different the next day. The policy of the separate democratic nations of the dest, however,

does not operate in guite the same manner. It demands consultation, discussion, and agreement before its policies can be put into action. Thus, the original initiative in the hands of the Russians would only confuse uncoordinated Western planners. Unity of command, with authority to make decisions affecting the military status of all of the Western states without having to wait upon their approval, is therefore of essence. Flamming of this type must be carefully safeguarded to insure that it does not become an offensive organization and does not give the appearance of being an offensive group. The necessity of unity arises only in the event of an initial enemy thrust which demands a strong counter-thrust by the whole attacked organization in order to prevent its being thrown into confusion and disorder. Only a coordinated, unified, central sovereign military command could be depended upon to meet a surprise blow with at least some anticipation of success.

A purely military problem of coordination arises in the altocation of types of defensive forces. This pattern is fairly well set at the present time. Obviously France, of the major Powers, is in the best position to supply the nucleus of the ground forces, with considerable help from Italy and Benelux. Britain is certainly test able to provide naval forces and also possesses a powerful and well-developed air force. Combined with the mighty United States Navy and Air Force the Western Alliance could present

a formidable non-ground defensive organization.

In addition to the coordination of forces is the problem of the allocation of supplies. In consideration of the present economic condition of Western Europe supplies must initially, at least, come from the United States. This fact has both advantages and disadvantages. It is advantageous in the sense that arms from a single source will tend to standardize armaments and thus make for greater productive efficiency. The administration of the program by the United States will be a greater incentive for unity (just as the Marshall Flan influences the economic program) because of the special interest of the United States in Western European unification. Any standardization of arms would of itself make for a natural tendency toward unity. But the plan also has its disadvantages. It could create the appearance of a fact that the United States was deliberately arming Western Europe in preparation for offensive operations against Russia. It could stir among the more suspicious of Jestern European minds the idea that the United States was arming Jestern Europeans as cannon fodder in the inevitable conflict with Russia. It could detract from the productive efforts of the European Recovery Program and slow down the process of Europe getting back on its productive feet. Finally, it could create continuing shortages of certain producer and consuler goods in this country and further deplete our own dwindling supplies of busic raw

materials.

The fundamental question regarding U.S.-Mestern European military coordination is, then, simply whether Russia or some other power constitutes a great enough menace, either now or in the future, to warrant the development of an extensive coordinated minitary system. If Mestern European recovery can only be guaranteed by such a system then there is no alternative. If it can be guaranteed by another plan, such as a complete folitical, economic, and minitary rapprochement with the Soviet Union, then certainly that is the better way. There are perhaps no areas where the unity of Western Europe Loca not in some measure depend upon the attitude and behavior of the Soviet Union.

The problem of the close association of the United States and Canada with the whole western European defense program has alreally been largely developed. In the broadest sense of this program, however, it should be reasonized that a two-way operation exists. Not only are the Western European states dependent upon the support of the United States and Canada but the occasion could easily arise where the United States and Canada but the occasion could easily arise where the United States and Canada build become dependent upon Western Europe. So is military strategists contend that a next war could begin by an attempted quick impositions. The assurance of Western European support in the event of such an attack might cause the potential attacker to

(1) hesitate longer before making such an attempt, (2) weaken the blow by being compelled to spread his forces over many fronts, or (3) be subject to a counter-attack in a vulnerable defensive perimeter by the Western European Federation defense forces. The assurance of such support would, however, virtually demand the expansion of Uniforce to an area much larger than that embraced by the Erussels Treaty Fowers, not only because of necessity for increased strength of the opposing force but also for the strategic necessity to the United States and Canada of protecting the Atlantic and mediterranean areas.

The Erussels Treaty should be recognized for what it is -- a nucleus of economic, political, and defensive origin for an ultimate complete Western European Federation. If it is allowed to solidify into a limited regional arrangement of sovereign or semi-sovereign states its total defensive effectiveness would be little greater than as five separate states. It is only when it expands into a major, completely unified entity of the sixteen Western European nations that it becomes a strategically significant organ of minitary value. The problem, then, insofar as the three foregoing premises relative to defensive organizations of Brussels and North Atlantic Treaties are concerned, is simply the development of a five-power regional organization into a sixteen-gover, cooperative, larger regional unit.

Beyond the realm of practical military considerations, but quite within the realm of military development, is the psychological problem of rearnament. The present problem of rearmament within a single state is great: a federation of states would multiply that problem. France is today not eager to see the United States withdraw her occupation forces from Germany, probably both because of the fear of German resurgence and the possible threat of a Russian advance. This attitude would be noticeably different if France were capable of outting up an effective military defense herself. By the same token, if the United States were to leave a Western European Federation, nursed by U.S. economic aid, bereft of military aid with which to defend herself, it is quite likely that there would necessarily be considerable modification of thought on the part of federation planners with respect to its relations with other European nations. The problem that arises in Western European planning, then, is the type and degree of defense that can be established in consideration of the defensive materials available. If, for example, the Western states had no measure of defense whatsoever their degree of accompdation to whatever Communist menace that existed might be so complete as to pave the way for their complete subordination to the Communist ideology. Or, on the other hand, their defensive measures might be so extensive as to represent a great enough threat to the Soviet Union that the latter would feel compelled to reply with war.

The psychological problem of the planners, which should include the United States and Canadian as well as Western European planners, is thus to create a defensive orogram which is precisely that. A piling up of arms will possibly defeat its own purpose in a psychological sense by unduly alarming Russia, in an economic sense by oberburdening the industrial facilities of the nations concerned with non-productive manufactures, and in a political sense by creating discontent among the people over lower living standards through the production of less consumer goods. On the other hand, complete abstention from military rearmament would psychologically tempt Russia to aggression. the Western nation's economically expanded consumer goods industries would even more tempt Russia's production-starved government, and political conditions would be created by which rabble-rousing demagogues, decrying military unpreparedness, could easily profit.

There can be no certainty, to be sure, that the planners of a Western European Federation can ever reach the "happy medium" between Russian intransiquence and necessary Western military defense requirements. In consideration of the historical perspective the chances for success in this endeavor are not too encouraging, since attempts at the balance of power have usually led to armament races.

Many cases in history may also be cited to prove that weak, unprotected nations have also been the victims of aggression. Basically, the determining factor in continuing peace between the East and West lies primarily in their own attitudes toward beace, but military unpreparedness or overpreparedness could easily be a contributing factor to the present unstable beace.

Another factor, not directly related to strategic military considerations, is the problem of the distribution of commands. Fractically, this is a minor consideration since the recent war has indicated a considerable measure of competency on all sides. Organizational command is the biggest desand at the present time. Psychologically, the problem is one of major proportions. The major Powers, especially England and France, vie for the top position as essential to their roles as major Fowers. France, as the principal source of ground forces, covets the ground force command while Britain, with the better opportunity in the recent past to produce ground force commanders, also eyes the position. Uniforce is presently headed by British Field Marshal Montgomery, who is reputedly a notoriously difficult person to get along with. Already there are indications of differences about the Uniforce commanders at Fontainebleau. The French fear a British tendency to withdraw ground forces from the Continent and carry on any fight from off-shore bastions. The British, in turn, are

wary of the French Maginot Line complex, their blind mistrust of Germany, and their political (and, consequently, military) instability.

The fundamental problem here is obviously the old recurring one of nationalism. It is to be feared that as long as authority is in the hands of a British or a French or an Italian commander these differences are inevitable. Just as present day military thinking is so often bound by outmoded strategic concepts of past wars so, too, may the idea of military command be outgoded by necessarily new conceptions of unity. The point is clearly another argument favoring the absolute necessity for complete Western European unity in all fields of endeavor. Until the commander becomes the leader of the troops of the Western European Federation and the direct representative of that Federation the idea of unity is basically only an idea. The task of breaking down the barriers of nationalism has already been discussed. The primary considerations in the whole defense question are, first, whether economic and political unity can exist without a fully unified command and, second, whether a fully unified military command can exist without complete economic and political unity.

From a military standpoint these, above all other problems, must be considered before stees are taken to implement any program of Western European unity. If political and economic unity proceeds apace without military

unity to complement it the Soviet Union may assume the responsibility for all of their efforts. Or, if military unity is presumed to have been accomplished without corresponding political and economic unity such unity may well flounder on the rocks of overnourished nationalism. And again, they may not. The problem is one of deep concern for Western European planners.

The military problem facing these nations -- strategical, organizational, psychological, and political -- are not only of such magnitude as to tax the ingenuity of the most competent planners but are also, more than anything else, the primary factor determining whether war or beace will eventually result. Since the broadest goal of any Western European Federation is the establishment of a stable community in a meaceful world the military factor is one of paramount importance. It is unnecessary to evaluate it in terms of the other two major oroblems that have been under consideration since it is felt that it has been already established that the three factors are interdependent and complete unity must be posited on the complete unity of all of these factors. The military factors are probably the most fluid and changing of the three problems since their direction is more dependent upon external circumstances. For this reason, if for no other, the military defense question demands appre all else a complete unity of ideas anon; the states concerned so that defense can become un

effective colicy against the pressure of a single consolidated external unit.

## V. CONCLUSION

The troubled world is today withessing not one, but two, mejor attents at unification. The free nations of Mostern Europe are taking the measures described in this paper in order to restore their shattered economies and depressed morate to a boint where security and self-respect will once amain become theirs. Their methods, characteristic of free nations bent upon abbieving cooperation, are discussion and compromise; their results are hasitant and slow; tabir goal still distant and uncertain. But, up to this yoint, they have not normitted the ends to obscure the means. However such a united Western Europe remains the goal to be achieved, the states ien are suspe that a united Western Europe without the freedom so typical of the states that will compose it, will be but a shallow and fraitless accomplishment. Consequently, their progress is slow and uncertain.

A second major group of nations is also working for unification, but while its end is the same its means of accomplishment is different. The not-so-free nations of Eastern Europe, under the direction of the Soviet Union, appear to be struggling to create a cohesive unity which will be colitically and sami-economically independent from

the rest of the worth. The method of accomplishing this varies markedly from the desterner's methods in several respects. The use of consultation and compromise in achieving unity is noticeably absent in the Eastern European program. The concept of general participation in the planning procedures by all the nations concerned seems to not play a role in the second unity program. The predominant authority of a single nation in the planning is another variation from Western methods. Finally, the implementation of policies not consistent with the desires of the people who must execute them is a procedure unfamiliar to Western planners.

Viewed in this light the problems studied in this paper goin a new significance. Important indeed is the need to restore the productive economy of the Western European area. No less important is the necessity of regaining the moral and spiritual values that make a free people great. But the final product of all of these accomplishments is the one for which a successful Western European unification owes its ultimate justification. This is the problem of freedom versus totalitarianism. The supreme test which must be met by Western policy makers is the proof, by their own success, that free golitical institutions, by their ability to adapt the selves to the continuing needs of the people and thereby secure their support to the extent that they will not revolt, are

more successful and more permanent than are totalitarian institutions. The end of the unification program thus becomes not simply Jestern European unity, which could conceiveably be secured by the sword -- as indeed it was by Caesar and Napoleon. Nor does it become a bathtub in every home, as might be conceived by many American idealists. Neither is it solely a religious rebirth, the solution which is conceived by many theologians. It may be that all of these are necessary but when the major problem is discerned as the survival of freedom in the modern world they become not ends, as originally conceived, but simply means to the ultimate end.

The problems of Western European unification, as we have discovered, are many and diverse and complex. Only the ignorant would have the temerity to predict its success, only the faithless to foresee its failure. The final consideration might well be one of cause and effect. If free institutions can prove the worth of their existence by producing statesmen of sufficient acumen to solve the problems confronting mankind, they will in themselves have justified their own existence. If, however, they fail in this endeavor, the evidence will be sufficiently clear that events have outlived the efficacy of freedom.

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