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Steven Ekovich

The European Union and the United States: Lessons Learned from Shared Prosperity and Shared Crises

Biography

Steven Ekovich earned his PhD at the University of California and has taught in France at the Ecole Polytechnique, HEC, Sciences Po, St. Cyr, the Sorbonne and the French Foreign Ministry. He is currently a professor at The American University of Paris in the Department of International and Comparative Politics and the Department of History. He is a graduate of the l'Institut des Hautes Etudes de Defénse Nationale (the French War College). He was a Senior Fulbright Professor at the Tunisian Foreign Ministry. He has worked as a journalist, political analyst and commentator for newspapers, radio and television. He has been a lecturer and consultant in many countries in Europe and Africa. His publications deal with American politics and foreign policy.

Abstract

The Euro-Atlantic economy has a very long history. What generations of American economic policymakers learned was that all forms of protectionism, whether they are tariffs, quotas, currency controls, or other non-tariff barriers were all prejudicial to American prosperity. Furthermore, as the post-World War I Dawes and Young Plans showed, and the post-World War II Marshall Plan demonstrated, Americans were prepared to move capital in large doses to fragile post-war European economies in order to restart shared transatlantic prosperity. At the same time, Americans exported their regulatory institutions and economic recovery approaches to Europe, and elsewhere. American solutions were adopted by Europeans, because Europe and the United States had become a single economy – which is why American foreign policy has always fundamentally supported European integration.

Keywords: European Union, crises, propsperity, United States, economy

Europe and the United States: Lessons Learned from Previous Crises

The lessons that American policymakers as well as economic and social leaders have drawn from previous crises are all based on the recognition that the United States and Europe are inextricably tied together – and increasingly so. These ties are not only economic, but also profoundly cultural. The shared history of the United States and Europe has also made clear that not only is the prosperity of the two sides of the Atlantic mutually dependent, but so is their security. American economic crises have almost always been linked to crises in Europe and, of course, European crises are usually inseparable from those in the U.S. These crises have not only been connected to the usual economic cycles and transformations, but also to security threats. The worst breakdowns in security, large-scale wars that have pulled in both sides of the Atlantic, have also provoked economic crises. Major wars are very costly, and the two world wars of the twentieth century instigated severe transatlantic economic challenges that could only be solved through American financial intervention with European coordination. The same could be said of the long Cold War. So, each new crisis has made it evident that solutions must be Euro-Atlantic, all the more so as the transatlantic economy has become increasingly interdependent and dense.

Markets, Open Trade, and Economic Integration

For the most part the solutions preferred by Americans have given prominence to market forces and open trade. When it has been necessary for the state to step in, it is considered a temporary expedient until markets and trade are once again stabilized. After the return to the open market, vestiges of state intervention have nevertheless been maintained and institutionalized in an attempt to bring increased economic predictability and improved social justice. Even though there has been an increased formalization of transatlantic economic relations, Americans are still tempted to rely primarily on the private sector and civil society. For instance, in 1995 The Transatlantic Business Dialogue (TABD) was created as an informal process whereby European and American companies and business associations will develop joint EU-US trade policy recommendations, working together with the European Commission and US Administration. The TABD is a coalition of U.S. and European CEOs, largely from transnational corporations, whose goal is to boost transatlantic trade and investment through the removal of barriers caused by regulatory differences. It has become a transatlantic business association which advises the newly created Transatlantic Economic Council (TEC).

For the last six decades in particular, the keystone of the American approach to shared crises with Europe, which is the flip side of shared interests, has been the pursuit of European integration. The United States has consistently supported European economic and political integration, even though Americans have at the same time held ambivalent attitudes towards the European Union. Americans have for all of their history, even in the colonial period and the early history of the republic, been closely connected to Europe. Americans have also tended to view European integration from the perspective of their own history of economic and political integration -- and therefore have basically viewed European integration favorably.

In the early years following World War II Americans saw European integration not only in economic terms, but also as an historic effort to ensure peace, stability and democracy. Successive American administrations encouraged European economic integration through such policies as the Marshall Plan in order to help create the conditions for prosperity that would serve as a bulwark against communism. American business leaders also viewed the prospect of a large, open European market based on liberal economic principles as a promising and fruitful investment opportunity. American policymakers considered that the material well-being of the United States was deeply connected to the prosperity of Europe, just as the security of the United States was seen as intimately connected to European security. On the other hand, Washington has been concerned about the effects of European integration whenever it generates independent European policy initiatives that are not always in concordance with American views and interests, or when it threatens substantial US business projects and markets.

Americans and Europeans have differed on the nature of the threats facing the transatlantic community as well as the means to address them, but the Euro-Atlantic community has remained solid; so solid that their crises, and their solutions to them, cannot be disentangled. For the most part, Americans have remained supportive of the widening and deepening of European integration, even though they have had differing relations with particular countries, for example the “special relationship” with Great Britain, their peculiar and turbulent history with Germany, and their contentious but usually amicable history with France. Despite tensions, the transatlantic link is still a strong and influential component of international affairs, reinforced by a myriad of institutions -- above all the EU and NATO.

The Long History of the Euro-Atlantic Economy

The lessons drawn by Americans of their shared crises with Europe go deep into the past. This is because America's economic relations with Europe have a very long history, and a very close history. In fact these relations are older than the United States as an independent nation. In the 17th and 18th centuries the commercial and financial relations of the American British colonies were closer with European economic centers than was trade between the colonies themselves. Boston, Massachusetts was economically closer to London than it was to Charleston, South Carolina, for example – and very far from French New Orleans (Bruchey, 1965). Without the financial aid and loans provided by the French king, the Spanish government and loans from Dutch banks, it is not even likely that the United States would have achieved its independence at the end of the 18th century (Dull, 1985). The War of Independence itself was largely provoked by disputes over the regulation of trade with Europe. A very old lesson is that trade disputes and commercial conflict can evolve into deadly armed conflict. Of course armed conflict is not simply trade relations carried out by more violent means, but can become a deadly element in an unstable chemistry of other contentious issues.

The US Constitution itself is an answer to this dangerous possibility. Adopted in 1787, it created a stronger central federal government than had the previous Articles of Confederation. A stronger national government was necessary not only for the common defense, but for a stronger economy. In effect, in 1787 a unified common market was established, with no internal tariffs or taxes on interstate commerce, facilitating peaceful trade and mutual prosperity among formerly independent colonies. As in the European Union today, the extent of federal power was much debated, with Alexander Hamilton, the first Secretary of the Treasury, taking a very broad view of central power. He succeeded in building a respected national credit based on a national debt held by the wealthy (and of course by many political leaders), who would then have an interest in supporting a healthy and powerful central government (Chernow 2004; Ellis, 2002). The national debt at the time, owed largely to Europeans, was funded by tariffs on imported goods. In fact, until the beginning of the 20th century government was mostly funded by income from tariffs on trade. Some of the most bitter political fights in the early history of the republic centered on the economic role of the federal government, especially regarding the desirability of a national central bank (North, 1961). These disputes were finally settled by the creation of central institutions. It should be recalled that the United States only gave itself a permanent central bank in 1913, the current Federal Reserve System, along with a national currency, Federal Reserve notes – the current American dollar. The need to finance an increasingly important central federal government required the adoption of a national personal income tax in the same year.

Europe: The Mirror of America

This brief overview is relevant to American views of European integration because American observers of Europe tend to view European attempts at integration as mirroring the American experience. Americans view the drawing together of Europe through the lens of their own experience, and therefore view an economically and politically integrated Europe favorably, because they view their own history of integration favorably. Americans looked fondly upon the first steps of the fledgling European Communities in the 1950s as opening the prospect for the creation of a "United States of Europe," somewhat akin to the United States of America. Jean Monnet, the "Father of Europe," was viewed very sympathetically, especially because "Mr. Europe" liked to speak of the establishment of a "sort of second America" and even named his action group for European integration the "Action Committee for the United States of Europe." While many influential American policymakers did indeed envision transplanting the US federal system to Europe, Europeans remained skeptical, even though the vision was appealing (Winand, 1993). But this positive view of European integration is not only an idealistic projection onto Europe of the American experience; it is also fundamentally connected to American interests, in particular economic and business interests. A lesson could be drawn from the present crisis. A more integrated Europe, even a federal Europe, would be able to react in a more timely fashion. Bank bail-outs require a swift political response. It may also be easier for a single head of state to instill confidence than a myriad of diverse and even antagonistic political leaders. In reference to the euro zone it is not clear at all where this response might come from. By the time European ministers have traveled for a meeting in Brussels, let alone reached or implemented a decision, the financial markets would have long drastically melted. On the other hand, a larger unified market means that banks become bigger and bigger, even too big to let fail -- but so big they are difficult if not impossible to save when they are in trouble.

Transatlantic Integration: The Central Lesson

The American economy has always been integrated with the European economy. American prosperity has always been intimately connected to European prosperity – and increasingly so as transatlantic relations become denser and denser with globalization. The evolution of American policy toward Europe has been a steady formalization and institutionalization of the relationship, with the goal of making it increasingly open, but nevertheless regulated. This has not prevented competition of American business enterprises with European companies – far from it. But the competition has been contained by an increasingly complex regulatory system. It also does not mean that governments have abstained from trying to give their companies advantages. They certainly have. But here also the overall trend has been one of establishing rules to mediate and control the interventions of states in an increasingly interdependent world. With the decline of tariffs, capital controls and transport costs, interaction between the US and European economies has intensified through means of free trade and open markets.

The growth of cross-border banking, securities trading and other kinds of capital flows has made financial markets on both sides increasingly indistinguishable. Policies on one side of the Atlantic have growing repercussions on the other – be these central bank decisions over interest rates, legislative decisions about budgets, or government regulatory policies. This has brought Euro-Atlantic economies together, but has also multiplied competition and conflict. As Barry Eichengreen (1996) puts it, US producers and policymakers have complained about EU farm subsidies and food product standards (such has hormone treated meat), while Europeans object to US restrictions on trade and investment in the financial, telecommunications and transport sectors. When US anti-trust authorities decide whether or not to let Boeing and McDonell-Douglas merge, they are little concerned about the impact on Airbus Industrie. When the member states of the European Union decide to form a monetary union, they do so with little regard for the reserve currency status and exchange rate of the dollar. And despite this, Eichengreen remarks, the policy makers on the two sides of the Atlantic continue to work toward common goals. Even while pursuing regional initiatives like the enlargement and deepening of the

European Union, ratification of the North American Free Trade Agreement, US and European governments have continued to press for the expansion and liberalization of the multilateral trading system. He points out that it was US and European support that ultimately pushed the Uruguay Round to its successful conclusion. And US and European governments supported one another's efforts to secure improved market access in Japan and other developing countries. Europeans and Americans collaborate in the G7, the G8, the G-20, the Bank for International Settlements, the World Bank and the IMF (to name just a few multilateral organizations) to support stabilization and liberalization.

A revealing way of demonstrating the long history of *de facto* as well as institutionalized transatlantic integration is to notice how crises in the American economy have almost always had a European connection (Kindleberger, 1978). The United States as an independent nation suffered its first recession in the years between 1797 and 1800, and it is interesting to note that it was caused primarily by the deflationary policy of the Bank of England. As the American national market grew, it remained closely tied to European markets. By the second half of the nineteenth century as America industrialized, its prosperity increasingly depended on its commercial and financial ties with Europe. It was largely British capital, for example, that financed railroad building in the United States. But this required that the federal government provide free land and other assistance to the railroad companies. This is only one example in the long history of mutual support and dependence of the American government and American and European business enterprises. For example, the 1870s recession, known as the Panic of 1873, was caused primarily by economic problems in Europe. This trouble brought about the failure of the American bank Jay Cooke & Company, which at that time was the largest in the United States. The next crisis, the panic of 1893 was brought about by the failure of the United States Reading Railroad. The failure prompted European investors to withdraw their investments, and left the US financial system in tatters. As just one more example among many that could be cited, the recession of 1926, which lasted 13 months, was precipitated by a British coal miners' strike that turned into a general strike that weakened the British economy and impacted on the American economy. Of course, the Great Depression was world-wide in scope and dramatically demonstrated the interdependence of all economies, and not just the transatlantic economy.

These are a few examples of the intertwining of European and American economic crises. What generations of American economic policymakers came to learn from these incidents was that all forms of protectionism (whether they are tariffs, quotas, currency controls, or other non-tariff barriers) were all prejudicial to American prosperity. Furthermore, as the post-World War I Dawes and Young Plans showed, and the post-World War II Marshall Plan demonstrated, Americans were prepared to move capital in large doses to fragile post-war European economies in order to restart shared transatlantic prosperity. But along with their capital, Americans also exported to Europe their regulatory institutions and their approaches to economic recovery (Hogan, 1986). American solutions were adopted by Europeans because both sides of the Atlantic had in reality become a vast single economy – which helps to explain why American foreign policy has always fundamentally supported European integration, even though there have always also been commercial disputes and business antagonism.

Transatlantic Financial Flows

Although France, Germany and the United States had become capital exporters by the end of the 19th century, the foremost supplier of capital was Great Britain. The City of London increased it foreign holdings more than five times between 1870 and 1914. By 1914, over one quarter of British wealth was invested in foreign government securities and foreign railroads. As with Canada and Australia, the economic impacts on the United States were far-reaching and profound. The capital imports financed an infrastructure of urban centers, port facilities and transportation networks that laid the basis for American economic development. As railroads were constructed, the interior of the American continent was opened and linked to world commerce, mostly European. The First World War brought to a close this era of international finance. The intensity and duration of the war obliged the major European belligerents to reduce and even liquidate their overseas investments in order to pay for the efforts of their armies (Gilpin, 1987). Even though after the Great War the United States did withdraw into *political* isolation with the rejection by the Senate of the League of Nations, American *economic* involvement with the rest of the world, in particular Europe continued to expand (Williams, 1954).

The American financial community began to recognize the increased importance of the United States to the European and world economies. As a result of this new distribution of power, American financiers took on a major role in funding of German reparations payments to France and other countries. This was the goal of the Dawes and Young Plans. The liquidity made available was a crucial factor in the stimulation of European economic activity in the 1920s. Priming the German economy so that it could produce the wealth necessary to paying reparations to the victors provided the allied powers the means to reimburse the heavy loans they had taken from American banks to underwrite their war efforts. A significant part of German diplomatic efforts in this period was devoted to reducing and rescheduling reparations payments (Jacobson, 1972). This recycling of dollars was beneficial to the American banks in particular, but also to the transatlantic economy as a whole. But the Dawes Plan also made the German economy dependent on foreign markets and other economies, and therefore vulnerable to economic dysfunctions in the U.S. This system collapsed with the onset of the Great Depression. One enduring consequence of the Young Plan was the provision for creating the current Bank for International Settlements. The BIS is another example of keeping an institution in place after it has served an immediate need in a preceding crisis.

The next era of international finance was introduced at the end of World War II, and here the transatlantic relationship was further integrated and strengthened. But whereas capital flows had previously consisted almost entirely of private funds, after the Second World War official foreign aid, grants, also became a central element of financial flows to Europe. Of course private capital still played a significant role. The multinational corporation was regarded not only as an instrument of global economic development, but also as a mechanism to spread the institutions and ideology of the American free enterprise system. Beginning with the Marshall Plan, many saw the multinational corporation as a way to strengthen foreign economies and thereby contain communism by demonstrating the superiority of American technology, capital, and managerial know-how. The aim was to outperform and therefore delegitimize central planning and state ownership. But despite the preference given to private enterprise, American government aid grew in importance. The United States' aid sent to Western Europe through the Marshall Plan is estimated to have amounted to 4.5 percent of American GDP between 1949 and 1952 (Gilpin, 1987, p. 311). It should also not be forgotten that the first mission of the International Bank for Reconstruction and Development, the World Bank, was the economic reinvigoration of Europe.

The Marshall Plan

The Marshall Plan is viewed at the most successful episode in the history of the Cold War containment of the Soviet Union and communism in Europe. The aid to Europe used the economic and financial strength of the United States to turn back an ideological and political threat, so it was meant as more than an effort to support the economic reconstruction of Europe. Today the Marshall plan would be characterized as a shining example of the potency of soft power. American officials hoped to refashion Western Europe into another version of the integrated single-market and mixed capitalist economy that already existed in the United States. So, the Marshall Plan was an extension of American domestic attributes and foreign-policy goals stretching back into American history. In the immediate memory of the plan's policy makers were the institutions of the New Deal and the policies of the period between the two world wars. As Michael J. Hogan (1987) shows, the object was to make Western Europe into the sort of liberal economy that had taken shape in the United States. In addition to making trade multilateral, making currencies convertible, and allowing free-market forces to integrate economies, American policymakers urged their transatlantic counterparts to organize European trade commissions, monetary boards, and other instruments of capitalist economic planning and regulation that were familiar to them in the United States. American aid was used to introduce European leaders to Keynesian strategies of fiscal and monetary management. It also aimed to Americanize European production, marketing and engineering methods. It was hoped that such mechanisms and networks would make it possible for Europeans to sustain their recovery and lead to high living standards. It was believed that a large, internal market, similar to the one that existed in the United States, would generate economies of scale and higher rates of productivity, merging into an open multilateral system that would also be beneficial to American business. Hogan (1987) argues that through these and related initiatives, American leaders tried to forge a Western European community in which political considerations would give way to technocratic solutions, downplaying redistributive political struggles in favor of a quest for shared abundance – all with an emphasis on public-private power sharing.

However, Americans were never able to *impose* their preferred approach. Collaboration between policymakers in Washington and the European capitals required compromises on all sides. In particular, the British tried to build a North Atlantic, rather than a European, economic and security system. This threw the burden of European integration onto the French, who could be rather contentious allies of the Americans. Even so, there was a shared goal of building a liberal system large enough and coherent enough to include Germany. This would make it possible to reconcile German economic recovery and future power with France's security. So, the Marshall Plan established the basis for the kind of community that would serve as a rampart against Soviets, while at the same time setting up the conditions for economic growth and social peace in Western Europe that would undermine their communist parties. In short, the post-World War II approach was to project American institutions and its grand bargain between capital, labor and the state onto Europe. As the historian of US national security policy John Lewis Gaddis (1987; 2005) shows, the American strategists wanted by these means to rebuild European political self-confidence as a shield against communist expansion.

Special Relationships

Americans learned that pursuing and supporting European integration could not be done by neglecting special bi-lateral relations that had been developed over centuries. This is particularly the case with America's unique relations with the British -- what is frequently labeled the "special relationship." The Anglo-American relation is largely based on a long shared history and a cultural connection grounded in culture, sentiments and language, even though the Americans in their early history struggled politically and even military against the British Empire – and remained suspicious and resentful of their British cousins into the twentieth century. Actually, the concept of "special relationship" is rather recent, growing out of the period of collaboration between the British and Americans during the Second World War. During the Cold War the special relationship grew to such an extent that it "seemed almost a fact of nature" (Dumbrell, 2006).

From the point of view of the British, the US-UK relationship has been seen as one of "three circles of influence" for Britain – the other two being the relationship with the Commonwealth and with Europe. Naturally, the concept of circles of influence comes from the thinking of policy elites. The elites on the American side of the Atlantic have cherished, at least until recently, a self-consciously "Anglo" orientation. Indeed, up to the late twentieth century the US foreign policy establishment came mostly from sectors of the country with a deep British cultural influence. In the middle of the century less than half the US population was of British stock. By the year 2000, only about one in ten of the population claimed any British ancestry. Nevertheless, polls show that Americans and British, regardless of origin, have very favorable opinions of each other (Dumbrell, 2006, p. 27). However, for many Americans today, "Englishness" has tended to evoke images of a kind of haughtiness in rags – a refusal to admit that the days of British imperial power are over. So today it is closer to the truth to say the idea of a special relationship is probably considered more import to the British than to the Yankees.

Of course the relations Americans have had with other European nations have also been unique in their own ways, but never to the point of considering the relationship as "special." For example, Germans and their culture have played an important role in America since its earliest beginnings (Ekovich 1992; 2001). Germans are not strangers to Americans, but have lived beside them, mixed with them and have nourished American culture in many ways. Much of American trade in the nineteenth century, especially in cereals, was with the regions of the European continent that would become Germany. In the United States, Germany has not evoked the same sentiments of insecurity that it has for European nations. And even though Germany has been perceived as a big, powerful nation, Americans have been able to reassure themselves that the United States is even bigger and more powerful. These underlying sentiments, situated deeply in the American psyche, have made it very easy for Americans, whether the general population, intellectuals or policy-makers, to accept without inordinate anxiety, and even a good measure of joy, a strong, prosperous and unified Germany -- particularly a Germany transformed by an open-market economy and democratic political institutions. This goes a long way toward explaining why Americans of all types received the news of the fall of the Berlin Wall with warm feelings of good will for Germans. In fact, Americans may have felt more at ease and joyful with the crumbling of the wall than the Germans themselves. Since the end of World War II, American policy consistently advocated German unity and the integration into Europe of a prosperous and powerful united Germany – but of course on the condition that it also be capitalist and democratic.

Transatlantic Security and Military Integration

It should not be overlooked that Europe was integrated militarily as well as economically. After two world wars drew the United States into the defense of liberal democracy in Europe, American leaders were more convinced than ever that the security of Europe was intimately connected to their own security and well-being. This was a lesson learned after a lot of bloodshed. The foundation of shared military security was built with the transatlantic alliance, NATO. American leaders saw European economic and defense integration as part of a larger dense web of transatlantic institutions remaking post-World War II Europe. After the failure of the European Defense Community (EDC) in the 1950s, Americans decided to shoulder most of the burden of defense themselves, while encouraging economic integration and its consequent prosperity as an alternate route to security. Stanley Sloan has noted the enduring nature of the fundamental transatlantic arrangement: the United States guaranteeing continued involvement in European security in return for a European commitment to integrate itself for both external defense and internal stability. So, advancing and deepening the two-centuries-old economic relationship would bolster security also by leading to thickened political and social links rendering war between Germany and its neighbors unthinkable once and for all.

Americans supported European integration because US officials believed that this process would bind together former enemies and prevent another European "civil war." Of course there are those who see the American attitude towards Europe in the post-World War II period as a combination of both benevolence and hegemony (Brimmer, 2007). However, regardless of attempts at political domination the United States today frequently calls upon its European allies to share, in differing degrees according to capabilities, its interests in international affairs. But this has not always been successful. For example, the deepest and sharpest difference with American policy was the intervention in Iraq in 2003. Secretary of Defense Donald Rumsfeld's remark about "old Europe" and "new Europe" brought to light a schism in the sensitivities of European nations. Rumsfeld gave voice to an assumption that the countries of Eastern and Central Europe would be more likely to support US policy because the Americans had been strong defenders, stronger than some parts of "old" Western Europe, of their right to be free of Soviet dominance during the Cold War. However, the overall relationship to all of Europe has proven deeper than this temporary division and has evolved from one of "primacy" in the immediate post-World War II period to one of "partnership" more recently – of course with the American partner remaining the most powerful (Toje, 2008).

Americans have a tendency to measure their European allies by their ability to join the United States in its actions on the global stage. This sometimes leads to skepticism about Europeans' ability to cooperate, and has also lead to occasional fears that Europe is trying to go its on way and exclude the United States. This was certainly the case with the recent debate regarding the European Security and Defense Policy (ESDP) and the Common Foreign and Security Policy (CFSP). There was a worry that Europeans were "re-nationalizing" their security, a historic nightmare. Americans wondered why the EU could not deal with security issues in conjunction with NATO without creating a competing European security apparatus. This concern has pretty much been dissipated, but there is still a recognition that NATO and the EU need to develop closer and better relations. Despite efforts by many in NATO and the EU, the relationship between the two institutions requires improvement. As NATO Secretary General Jaap De Hoop Scheffer believes (2007), the two most important Euro-Atlantic institutions could do a better job of working together. He said in January 2007 that "…when one looks at how diverse and complex the challenges to our security have become today, it is astounding how narrow the bandwidth of cooperation between NATO and the Union has remained. Despite many attempts to bring the two institutions closer together, there is still a remarkable distance between them." This is all the more important in the eyes of the general as today's threats make it clear that the military and non-military dimensions of security must go hand in hand. Of course, improving EU-NATO cooperation reinforces the EU in American eyes, especially to the extent that it does not disconnect Europe from the United States.

Conclusion

The deep and historically long relations of the United States with Europe have become increasingly dense and institutionalized over the past 250 years. It would not be an outrageous exaggeration to claim that the United States is fundamentally a European country, a very powerful European country, the inheritor of European values and shared interests, even though fewer and fewer Americans have distant cousins on the other side of the Atlantic. This long shared history goes a long way to helping to understand the support Americans have given to European integration as the central solution to a long history of shared crises. They have frequently viewed their own history in the light of European history, and have viewed European efforts at integration from the perspective of their own economic and political integration. American policymakers, especially since the end of World War II, have considered European integration as beneficial to Europe and have encouraged it as long as it is tied to the American liberal economy. American prosperity has been built along with European prosperity, just as American security has been linked to European security. This is not to say that the Americans and the Europeans are always in accord, but policy differences, even passionate and heated differences have not undermined the solidarity of the Euro-Atlantic democratic world. In general, European economic and political integration has been good for the United States, as it has also been good for Europe. This is the fundamental lesson.

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