WWII and the Origins of the LIO

PS 142A.07
Paradox of LIO

- Within the “Western” alliance, U.S. rule somewhat hierarchical:
  - Protectorates/informal empire in W. Germany and Japan, but diminishing
  - At least sphere of influence in rest of Europe
- Yet, this rule was consistent with democracy and accepted as relatively legitimate.
Summary

- Military alliances created site-specific assets
- Destruction of the war created opportunity for U.S. to rule other major powers indirectly
  - Reshaped interests of former enemies
  - Compatible interests made democracy possible
- Postwar institutions designed to be fundamentally liberal
  - Multilateralism gave members voice and possible veto over U.S. actions
- Common interests wrapped in narrative of “Western” civilization
The Initial Postwar Vision

- FDR and the war
  - Isolationism sufficient to keep U.S. out of the war
  - U.S. clearly took the side of Britain and France
    - Lend-Lease program
    - Attempted to limit Japanese aggrandizement in Asia

- Four Freedoms
  - Freedom of speech
  - Freedom of worship
  - Freedom from want (healthy peacetime life)
  - Freedom from fear (reduction in armaments to limit aggression)

- The Four “Horsemen” model
The Atlantic Charter (Aug. 1941)

- No territorial gains
- Territorial adjustments in accord with the wishes of the people concerned
- Right to national self-determination
- Trade barriers to be lowered
- Economic cooperation to advance social welfare
- Work for a world free of want and fear
- Freedom of the seas
- Disarmament of aggressor nations, general disarmament after the war
World War II

- Japanese attack on Pearl Harbor, Dec. 7, 1941
- Axis countries declare war on U.S., Dec. 11
- European theater priority
Nazi Control of Europe
The United Nations

- Dumbarton Oaks Conference (Sept./Oct. 1944)
- UN Conference on International Organization (April - June 1945)
  - Charter signed on June 26, 1945
- Structure
  - General Assembly: one nation, one vote
  - Security Council: 5 permanent members with veto, 10 non-permanent members (2 year terms)
  - Secretariat: permanent staff, including Secretary General
  - Specialized agencies (IAEA, ILO, WHO, etc.)
The United Nations Charter

- Westphalian principles:
  - Sovereign equality of all members
  - Principle of non-interference with domestic or internal matters

- Liberal principles:
  - Obligation to refrain from the use of force against territorial integrity or political independence of any member
  - Universal human rights
  - Open in principle to all countries
Bretton Woods

- Conference in July 1944
- International Monetary Fund
  - Fixed value of currencies within +/- one percent
  - IMF to bridge temporary imbalances
- World Bank (IBRD)
  - Longer-term loans to facilitate post-war recovery and development
General Agreement on Tariffs and Trade

- **International Trade Organization**
  - Never ratified by U.S.

- **GATT**
  - Effective Jan. 1948-1995 (then WTO, 1995-present)
  - Negotiating forum: 7 “rounds”
  - Grew from 23 to 159 countries
Initial Vision Fails

- UN is stymied by outbreak of the Cold War
- Economic institutions limited, at first, to North America, Europe, and Latin America
- Universal order replaced by “regional” order or LIO
Rules of the Pax Americana

- **Members must:**
  - Settle disputes between members peacefully
  - Act collectively in the common defense
    - Neutrality in the Cold War not permitted
  - Maintain market-based economies open to trade and investment with other members
  - Give up imperial preferences and overseas colonies
    - Special relationships permitted if “open door”
- **Members to be democratic, consistent with the above**
Building the Pax Americana

- Rebuilding Europe
  - In practice, monetary system deviates from IMF
    - USD fixed to gold at $35 oz
    - Others fixed to dollar
    - U.S. ran deliberate balance of payments deficit
  - U.S. reduces tariffs dramatically, with smaller reductions in Europe
- Marshall Plan aid
  - Morgenthau Plan abandoned
  - In 1948-51, U.S. provide Europe with $17bn in aid (> $198 in today’s dollars)
  - Soviet Union refused to participate
Marshall Plan

People in the cities are short of food and fuel, and in some places approaching the starvation levels. Aside from the demoralizing effect on the world at large and the possibilities of disturbances arising as a result of the desperation of the people concerned, the consequences to the economy of the United States should be apparent to all. It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace. Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist.

Secretary of State George Marshall
Indirect Rule

- Domestic politics in Europe and Japan “plastic”
  - Elites delegitimated by war and especially defeat
  - Industrial capacity destroyed by war

- U.S. identified and supported conservatives untainted by facism/militarism and willing to work with the West
  - Promoted them as intermediaries
  - Supported them in elections

- Once integrated, economies conformed to liberal economic order and became “vested”
Konrad Adenauer of Germany

- Chancellor 1949-1963
- Mayor of Cologne
  - Mildly anti-Fascist
  - But strongly conservative and anti-communist
- Founded the Christian Democratic Union (CDU)
- Primary opponent was Social Democrat Kurt Schumacher
  - Proponent of German neutrality
Germany’s Export Led Growth

Graph: Development of German foreign trade in EUR bn
- Export
- Import
- Balance

Year: 50 60 70 80 90 00 05 06 07 08 09 10 11
Shigeru Yoshida of Japan

- Prime Minister 1946-47 and 1948-54
- Imperialist but pro-American
- Yoshida Doctrine
  - Reliance on the U.S. for security
  - Economic recovery through export-led growth
U.S. Opposition to Communism

- **Italy**
  - Communist Party 2.3m members in 1947
  - Participated in government 1944-1947
  - U.S. provided $10m to anti-communist parties in 1948 election

- **France**
  - Communist Party ~ 25% of votes in elections in 1945 and 1946, in Tripartite government of 1944-1947
  - U.S. opposition somewhat more indirect, simply making clear that it did not approve
Legitimate Power

- Wartime enemies reconfigured as postwar allies
  - “Western” identity formed
- Given plasticity of domestic interests, U.S. could reshape political coalitions
- As integration proceeded, new coalitions get locked in or “vested” in the LIO
- Cooperation with U.S. now in their “interests” and consistent with democracy