

A Different Cold War? Understanding the 1963 European Settlement



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The expectation of ongoing pressure against the Soviet Union and its potential allies elsewhere in world made up the thrust of post-1945 US planning for the Cold War, and were emblematic of Containment. They led the US to assume leadership of NATO in Western Europe, and to worldwide US engagements, including in Vietnam. But the US and NATO during the 1950s could not agree on a defense strategy; Eisenhower's plan by 1957 and 1958 was for the US to reduce its European presence in favor of national control of nuclear weapons, including by West Germany. That prospect frightened the Soviets, and more than anything else led to Khrushchev's ultimatum on Berlin in November 1958. Kennedy, with some collaboration from Khrushchev, constructed a settlement by 1963 that would keep US forces in western Europe; keep US nuclear weapons under US control, hence prevent Germans from having them; and maintain the political status quo in central Europe.

A self-enforcing European peace could be achieved only because the Soviet prospect of regional hegemony had been thwarted. But Kennedy and Khrushchev both soon left the scene, following which the accomplishment was poorly understood, a pattern oddly continued by most Cold War observers – including Hans Morgenthau and Kissinger. Had it been better understood, it might have changed US policy toward less intervention in the Third World. Eisenhower left office in January 1961 with the US on the brink of showdown in central Africa, Cuba, and Laos. We got a pre-vision of a different strategy in Kennedy's policy shifts in all of these during 1961-1963, and in withdrawal of forces underway from Vietnam. Meanwhile, France's DeGaulle offered a multi-dimensional case for neutrality in southeast Asia. A less ideological, more "realist" view would have led the US to stay "offshore," to avoid confrontation where superpower interests were only marginally involved, and otherwise to encourage neutralist solutions.

The Cold War might have faded away; but that was not to be. Containment, as practiced, and resumed after 1963, prolonged the Cold War. Kennedy and DeGaulle were effective realists, while Acheson, Eisenhower and Kissinger were not. The 1963 European settlement should have been updated during the decades after the collapse of the Soviet Union, but it broke down during the 1990s. A consequence, in part, was the Ukraine war of 2022.

Biography:

International Economics and Governance Advisor, has a record of strategic and intellectual leadership. He worked for much of two decades in economic development in the Greater Middle East, including as a contractor, direct employee and team leader with the US State and Defense Departments in Iraq and Afghanistan. He contributed to reform strategies in monetary policy, financial sector development, and property rights in Iraq, Saudi Arabia, Kyrgyzstan and Kosovo. He has taught finance or international economics at three universities; he worked previously in Treasury and Foreign Exchange at Chase Manhattan and as a VP at Citibank. He is the author of *Gold, France, and the Great Depression; 1919-1932* (Yale, 1997), which received a publishers' award, and of *Uncommon Arguments on Common Topics; Essays on Political Economy and Diplomacy* (KSP, 2022), which collects a variety of published papers on monetary and economics issues, as well as two papers on the US-Soviet Cold War and write-ups on Iraq and Afghan wars. PhD (History), Yale; MBA (Finance), UCLA. He has made several presentations at WCBEF conferences since 2022.