

Post-War Debt: United States of America as the only hegemon in Europe

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When World War II ended, many countries fell into economic crisis, while the United States (U.S.) became the most stable country in terms of industry, finance [1], and military power. This is also as a result that the U.S. mainland is untouched by war [2]. In a situation like this, the U.S. is the only hope. However, to ensure European countries have the ability to pay debts, the U.S. created a new financial system, before deploying its troops to European soil, in June 1944, when Europe was devastated. The financial system was called the Bretton Wood System, executed in the Marshall Plan funds, which required the union of European countries. The root of European unification is post-war debt under U.S. rule.

“The Marshall Plan, also known as the European Recovery Program, was a U.S. program providing aid to Western Europe following the devastation of World War II. It was enacted in 1948 and provided more than \$15 billion to help finance rebuilding efforts on the continent. The brainchild of U.S. Secretary of State George C. Marshall, for whom it was named, it was crafted as a four-year plan to reconstruct cities, industries and infrastructure heavily damaged during the war and to remove trade barriers between European neighbors—as well as foster commerce between those countries and the United States. In addition to economic redevelopment, one of the stated goals of the Marshall Plan was to halt the spread communism on the European continent [3].”

Why does the U.S. want to help Europe? The main purpose was to avoid the Treaty of Versailles, Europe’s default on debt to the U.S. In World War I, the French and their allies owed Britain’s debt, and Britain owed it to the U.S. France and allies failed to pay to Britain, Britain failed to pay to the U.S. Debt after the war has been proven until now to hold the debtor hostage.

Economic Gain is one of the main causes of war (Causes of war). One of the reasons for war is Imperialism (MAIN reasons of war) [4]. Economic benefits can be obtained from various ways, one of which is occupation/imperialism. However, unlike the wars of the past, modern wars require pretexts. Military tensions in Europe since January 2022, manifested in Russia’s military operations in Ukraine, can be a pretext built by the United States (and NATO) for the control of resources and economic interests in a particular region [5]. This kind of pretext has been done several times by the U.S., in Iraq with Weapons of Mass Destruction, also in Serbia (Yugoslavia) and Syria. The last two events did not get authorization from the UN Security Council.

Why is this kind of pretext being built by the US in Europe?

First, The United States wants to replace Russia as the largest energy supplier in Europe. The struggle for energy resources and markets has historically led to conflicts. In ancient times, war produced looted goods such as gold and natural wealth, including the energy that drives the plantation industry, namely human labor in slavery schemes. In the modern industrial era, energy comes from fossil fuels, such as gas, oil, and coal.

Energy is the source of wealth and competition, the basis of political controversy and technological innovation, and the core of an epochal challenge to our global environment [6].

Because the role of energy is so important, countries make it a major issue as well as involve the role of the military in it.

“Energy security” is now deemed so central to “national security” that threats to the former are liable to be reflexively interpreted as threats to the latter. In a world in which territorial disputes, ideological competition, ethnic irredentism, and even nuclear proliferation all seem capable of being normalized in ways that constrain the actual use of military force, a crisis in the global energy supply stands out as the last all-weather casus belli when the moment comes to hypothesize worst-case scenarios [7].

Second, if the pretext that is built succeeds in provoking war in mainland Europe, then it is certain that the countries in Europe will fight fiercely and shattered like what happened in World War II ago. If this happens, then the US will again be the victor of the war, as well as the savior of Europe, who will help restore Europe’s rebuilding.

The US did this after its failure in its campaign to get Europe to reduce its dependence on European energy sources from Russia, where Europe continues to depend on cheap gas from Russia, as well as its failure to stop the Nordstream 2 project being built by Russia with Germany, France and Austria. Nordstream 2 is not just about delivering cheap energy, it can change the constellation of power in Europe. It’s about unipolar, about perpetuating superiority, being the only hegemon in Europe. It’s more about the German-Russian Mutual Dependence, in Nord Stream 2. The US sees it as a threat. If it operates, then, between Germany and Russia, there is no need to conduct energy transactions in USD or US Treasury bonds, which can be carried out in their own currencies. Then the dollar’s value will fall.

Notes

[1] After WWII, the US had gold reserves estimated total of \$40 billion.

[2] Except for Pearl Harbor, which is geographically far from the mainland U.S.

[5] Ukraine is in danger of losing 4% of its national income if Nordstream 2 operates.

List of sources and literature

[3] Marshall Plan. History.com, url <https://www.history.com/topics/world-war-ii/marshall-plan-1>

[4] Why wars happen? The Economist, December 16, 2008, url <https://www.economist.com/news/2008/12/16/why-wars-happen>

[6] [Pascual Carlos, Elkind Jonathan (editors). Energy Security: Economics, Politics, Strategy, and Implications, 2010, p1]

[7] [Moran Daniel, Russell James A. (editors). Energy Security and Global Politics. The militarization of resource management, 2009, p2]