

The United States

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Thanks to its military and economic strength, the United States made a decisive contribution to the Allied victory over Germany and Japan. The isolationist attitude, predominant in the US Congress after the First World War, was tempered to some extent. The Vandenberg Amendment, passed by the US Congress in June 1948, put an end to American isolationism by allowing the United States to make international alliances outside the American continent.

The atomic bombs dropped on Hiroshima and Nagasaki in August 1945 signalled a new era. Until 1949, only the United States had the capacity to produce large numbers of nuclear weapons. Its navy and air force were unrivalled. Its merchant fleet accounted for two thirds of total world capacity, in particular its oil tankers, and it was the only country with the capacity to fly across the Atlantic and Pacific oceans.

However, the US army was much smaller than that of the USSR because a large number of US soldiers had been demobilised at the end of the war. The US army was reduced in size from eleven million men in 1945 to one and a half million men the following year.

The United States was now determined to play its role as the leading world power. This attitude was encouraged by the expansion of Communism in Central and Eastern Europe as well as by the threat of electoral victory of the Communist parties in Western Europe.

Furthermore, the United States was able to establish its global position in economic terms: its immense war effort had led to unprecedented industrial and technological development. It confirmed its status as the leading economic world power, both in terms of the volume of trade and industrial and agricultural production, and with regard to gold reserves and foreign exchange. The USA was the only country to emerge from the war wealthier than when it had entered. It possessed more than half the world's productive capacity and accounted for a quarter of world trade. The dollar became the world's primary international currency. The United States, with two thirds of the world's money supply, dominated the new international monetary system created by the Bretton Woods (New Hampshire) Agreement in July 1944. The International Monetary Fund (IMF) chose the dollar as its reference currency on the basis of a fixed gold-dollar exchange rate, and it took control of the Bretton Woods system. The IMF was linked to the United Nations (UN), as was the International Bank for Reconstruction and Development (IBRD), which was responsible for financing major reconstruction projects. The General Agreement on Tariffs and Trade (GATT), signed in 1947, aimed to liberalise world trade and abolish customs barriers in accordance with the traditional most-favoured-nation principle. The only shadow over this economic landscape was the weakness of Europe's economies and the lack of dollars in Europe (the 'Dollar Gap'): the United States needed to export to avoid surplus production.