Introduction

As we explored in Chapters 2 and 3, historians have found it difficult to establish a precise date on which they can all agree for the start of the Cold War. However, many see events in early 1946, such as Churchill’s famous ‘Iron Curtain’ speech on 5 March 1946, as a good point at which to begin the history of the Cold War proper. By then, the various long-term goals and objectives of the Allies were leading to the emergence of several short-term differences. By the mid 1950s, two rival power blocs had emerged and consolidated – one led by the USA, the other by the Soviet Union.

While the origins and the very early stages of the First Cold War were clearly in Europe, the struggle that emerged after 1945 between the two main powers very quickly spilled over into other regions of the world. In the early period it took place mainly in Asia but, as later chapters will show, it soon affected Africa and the Americas too.

This chapter is divided into two units, which deal with the main aspects of the early stages of the Cold War (1946–53) in Europe and in Asia respectively. During this period there were several actions, reactions and counter-actions by the former Allies. In particular, this chapter will examine the origins of, and the reasons for, the US policy of containment, the problems surrounding the question of Germany, the establishment of NATO in the West, and the corresponding actions and reactions of the USSR – including the increasing controls of Eastern Europe.

These developments mostly played out in Europe which, by 1949, had become divided into two rival spheres of influence. However, after 1949 and the victorious Communist Revolution in China, Cold War tensions spread to Asia. The main impact of this revolution was that it led to the development of a new international relations system. From this point on, the Cold War changed from being essentially a US–European conflict to being increasingly a global struggle between two rival economic, social, ideological and military systems. This struggle began to affect other parts of the world, most immediately evidenced by the outbreak of a conventional ‘hot’ war in Korea in 1950. The global impact of the Cold War spread, and was often characterised by regional civil wars and conflicts, in which the two main powers supported opposing sides. Communist China also began to emerge as a major player in the Cold War.

A French cartoon that appeared in 1950, giving a Western view of Stalin’s takeover of Eastern Europe and the possible threat from communism.

Question

What do you think is the message of this cartoon?
1 Developments in Europe

Key questions
- How far was 1946 a turning point?
- How important were the Truman Doctrine and the Marshall Plan?
- What were the main points of tension in Europe from 1947 to 1949?
- How did the First Cold War develop in Europe from 1949 to 1953?

Overview
- Continued disagreements during 1946 began an East–West hostility, symbolised by Churchill's 'Iron Curtain' speech in March 1946.
- Economic crisis in Europe, communist electoral successes in Italy and France, and the Greek Civil War saw the US respond in 1947 with the Truman Doctrine and the policy of 'containment'. This was followed by Marshall Aid. Soon, the term Cold War was being widely used.
- Growing Soviet power in Eastern Europe, the Brussels Treaty Organisation formed by Western European states, and the merger of the West's zones in Germany, resulted in a near-complete breakdown of relations in 1948. The Soviet response was the Berlin Blockade, which was met by the West's Berlin Airlift.
- In 1949, NATO was set up initially at the request of states in Western Europe, but soon became increasingly dominated by the US. Though the Berlin Blockade ended in May, Cold War tensions increased when the USSR exploded its first atomic bomb. At the end of 1949, Germany was divided into two separate states.
- From 1949, with the communist victory in China and the start of the Korean War the following year, Cold War tensions shifted mainly to Asia (see Unit 2). In Europe, the Cold War was heightened by the US exploding its first H-bomb.
- However, a 'thaw' in Cold War tensions began to emerge after Stalin's death in March 1953, despite the USSR exploding its first H-bomb shortly after. The new Soviet leadership soon announced a willingness to negotiate over Cold War problems, as did both Eisenhower and Churchill.

Timeline
- 1946 Feb: Kennan's 'Long Telegram'
- Mar: Churchill delivers 'Iron Curtain' speech
- Jul–Oct: Paris Peace Conference held
- Oct: communists win elections in Bulgaria
- Nov: rigged elections in Romania result in communist victory
- 1947 Jan: communists rig elections in Poland
- Mar: Truman Doctrine (containment) announced
- May: Britain and US merge German zones to form Bizonia
- Jun: Marshall Plan announced
- Aug: communists win elections in Hungary
- Sept: Cominform set up; Zhdanov gives 'Two Camps' speech
- 1948 Feb–Mar: communist coup in Czechoslovakia, after non-communists resign from government
- Jun: France joins its German zone to Bizonia to form Trizonia; the West introduces new currency in West Germany; start of Berlin Crisis (Blockade and Airlift)
- 1949 Jan: Comecon established
- Apr: NATO set up
- May: Berlin Blockade ended; West Germany (FDR) formally established
- Aug: Soviet A-bomb tested
- Oct: East German state (GDR) set up
- 1952 Mar: 'Stalin Notes' on Germany issued
- Nov: US explodes H-bomb
- 1953 Jan: Eisenhower becomes US president
- Mar: Stalin dies
- Jul: USSR explodes H-bomb
Dean Acheson (1893–1971)
Acheson had been a convinced anti-
communist since 1946. He helped
develop the Truman Doctrine, the
Marshall Plan and NATO, and from
1949 to 1953 he was US secretary of
state. He also encouraged support
for Nationalist China and US/UN
involvement in the Korean War.

How far was 1946 a turning point?
The growing divide, 1946–47

By the end of 1945, with the Second World War over, tensions between the
Allies were already apparent. However, the West was also concerned about
developments in the Middle East and the eastern Mediterranean, where the
US had what it considered to be vital interests. One area of immediate concern
was northern Iran, where the USSR was believed to be spreading its influence.
In January 1946, Stalin claimed the USSR had as much right to the Black Sea
Straits and Iranian oil as had the West. As early as February of the same year,
US secretary of state James Byrnes began to urge the Iranian prime minister
to resist any Soviet advances in that important oil-rich region. Truman decided to
maintain this firm stand, and Stalin quickly backed down in return for a deal
on oil concessions. Although the West believed this showed that, if confronted
with determined opposition, Stalin would always give in, the evidence suggests
that Stalin was never very serious about expansion in that area.

Similarly half-hearted pressures from Stalin in the spring and summer of 1946
for concessions from Turkey were also resolutely opposed by the West, and the
Soviet leader once again backed down. Truman and the West thus concluded
that Soviet claims and actions should always be met by determined opposition.
In particular, the Turkish ‘war scare’ and its resolution caused the US under-
secretary of state, Dean Acheson, to move towards a more confrontational
approach to the USSR. In September 1946, Clark Clifford, one of Truman’s key
advisers, presented a memorandum that also advocated a tough policy. This
was opposed by former vice-president and, by then, secretary of commerce
Henry Wallace, who favoured a more conciliatory approach. Wallace was later
forced to resign from the government.

However, the problems throughout 1946–47 were mostly located in Europe:
Germany, peace treaties with Italy and the Axis states of Eastern Europe, the
emerging civil war in Greece, atomic weapons, the economic crisis in Western
Europe, and increasing Soviet control of Eastern Europe. The decisions made
about these issues resulted in more serious divisions between the Allies, in large
part because Europe was where Stalin’s main security concerns were based.

Kennan’s ‘Long Telegram’
In 1946, Western governments came to view increasing Soviet control in Eastern
Europe as a first step towards the westward spread of communism. Some
politicians spoke of possible advances in Greece, Italy and even in France, where
communist support was relatively strong. February 1946 saw two significant
developments. The first was the failure of the Baruch Plan, which ended any
hopes of an agreement on the control of nuclear weapons. The second was
George Kennan’s famous ‘Long Telegram’, in which he argued that, because
of its security fears, internal politics and leadership, and its Marxist-Leninist
ideology, the USSR was a dangerous and expansionist state which would never
co-operate with the USA. Kennan’s telegram hardened attitudes in the US, and
played a key role in US foreign policy towards the Soviet Union.
SOURCE A

We have here a political force committed fanatically to the belief that with the US there can be no permanent modus vivendi, that it is desirable and necessary that ... the international authority of our state be broken, if Soviet power is to be secure. ... Many foreign peoples, in Europe at least, are tired and frightened by experiences of the past, and are less interested in abstract freedom than in security. They are seeking guidance rather than responsibilities. We should be better able than the Russians to give them this. And unless we do, Russians certainly will.


Kennan argued in particular that Moscow was ‘highly sensitive to the logic of force’, and would back down if it encountered ‘strong resistance at any point’. Kennan’s argument was also based on the belief that, whatever the US did, Soviet policy towards the West could not be altered in the short or medium term. This view rapidly became the basis of US foreign policy, and was the origin of the policy of ‘containment’ (a term first used by Kennan), which emerged the following year; this was essentially a revival of the Riga Axioms (see pages 50–51).

In March 1946, Winston Churchill made his famous ‘Iron Curtain’ (see page 18) speech in Fulton, Missouri. Churchill also claimed that the Soviet Union was an expansionist state, arguing for the end of compromise and calling for a stronger Anglo–American alliance. This was an important shift away from the spirit of Yalta and Roosevelt’s policy of attempting co-operation with the USSR, and coincided with Kennan’s ‘Long Telegram’. Stalin compared Churchill to Hitler, and saw the speech as a ‘call to war with the Soviet Union’. As a result, the USSR withdrew from the International Monetary Fund (IMF) and stepped up anti-Western propaganda.

A British cartoon, published in the Daily Mail on 6 March 1946, following Winston Churchill’s ‘Iron Curtain’ speech
In essence, Kennan was in favour of a 'fully-fledged and realistic showdown with the Soviet Union' over developments in Eastern Europe. As early as February 1945, he had argued that if the West was not prepared to 'go the whole hog' to block any expansion of Soviet influence in Europe, then the only alternative was to split Germany permanently in two, and to draw a definitive frontier between East and West. He believed the world should be divided into rival spheres of influence and that the US should then conduct a propaganda war against the USSR and communism.

Yet recently released documents indicate not only that Kennan overestimated the importance of ideology as a factor in shaping Soviet foreign policy, but also that in fact the Soviet Union pursued a very flexible approach in the years immediately after 1945. This approach may have had opportunistic and expansionist elements in regard to Eastern Europe, but it was open to compromise and accommodation with the West. As tensions increased, however, those advisers in both camps who favoured a more hardline and confrontational approach began to gain the upper hand.

Using the phrase Pax Sovietica, John Foster Dulles argued for military and economic aid to 'endangered' states. At the same time, Dean Acheson warned Truman that any joint Turko-Soviet control of the Black Sea Straits would threaten Greece and the Middle East.

At the same time, Byrnes used international loans and credits to stabilise all economies outside the Soviet sphere, amounting to $5700 million in 1946. He also made it clear that any credits for the USSR would depend on a greater US say in the economic reconstruction of Eastern Europe, and the removal of all trade barriers. This resulted in negotiations being broken off in June 1946.

**Economic crisis in Western Europe, 1946–47**

Most US officials soon came to support Kennan's views, and some 'doves', such as Henry Wallace, who believed the USSR was willing to compromise, were forced to resign. However, although a media campaign (helped by Churchill's speech) was launched about the 'new threat' from the Soviet Union, neither the Republican-dominated Congress nor the general public were yet convinced of the need to hand out large loans to allies or to increase the military budget. The Republicans won the congressional elections of November 1946, and actually voted to cut Truman's budget the following year, including military expenditure.

Nevertheless, the economic and political situation in Western Europe from 1946 to 1947 eventually persuaded Congress to support the more active—and costly—foreign policy desired by Truman's administration.

The economic impact of the Second World War on European countries was incredibly negative compared to the impact on the US. The situation was made worse by poor harvests across Europe in 1946 and a severe winter in 1946–47. At the same time, communist parties in France and Italy were becoming relatively large and popular. This was partly due to the role they had played in resisting fascism during the war. George C. Marshall, who replaced Byrnes as secretary of state, estimated that Western Europe would need $17 million of aid in order to recover – but the Republican Congress was still not persuaded.

The turning point came in February 1947, when Britain announced that, because of its economic problems, after March it would no longer be able to give economic or military aid to the Greek royalists in their civil war against the Greek communists. It would also cease aid to Turkey.

By linking loans to the struggle against communism, Dean Acheson was able to gain support for Truman’s policy of containment. In particular, Acheson argued that if Greece turned communist, then the Balkans and, ultimately, Africa and Western Europe (especially France and Italy) would be undermined. This 'rotten apple' argument (based on the idea that one communist state would begin to 'spoil' its immediate neighbours) was similar to the Domino Theory that dominated US foreign policy in the following decades. This argument stated that if one country was allowed to 'fall' to communism, then neighbouring states would be the next to go, just like a line of dominoes.

**How important were the Truman Doctrine and the Marshall Plan?**

**Containment and the Truman Doctrine**

The change in policy was announced by Truman in his speech to Congress on 12 March 1947. In order to gain the support of the Republican majority, however, he had to exaggerate differences with the Soviet Union and argue that there was a crucial ideological struggle between democracy and communism.

At the same time, Truman’s administration exaggerated the military threat posed by the Soviet Union; according to Acheson, the message to the US public had to be ‘clearer than the truth’. The USSR, it was implied, was aggressively expansionist and therefore needed to be ‘contained’, though there was no direct mention of the Soviet Union itself.

In 1947, the US set up new national security organisations – an integrated Defense Department in the Pentagon, the Central Intelligence Agency (CIA) and the National Security Council (NSC). Truman used the same fears in the run-up to the 1948 elections, and domestic politics saw the start of campaigns against communist subversion, which led to the ‘witch hunts’ in the early 1950s spearheaded by Joseph McCarthy (see page 92).

The new policy – which came to be known as the Truman Doctrine – argued that all countries had to choose between the ‘freedom of the West or the subjugation of communism’. Truman then announced US readiness to assist any country resisting ‘armed minorities’ or ‘outside pressure’. Congress finally approved aid for Greece ($300 million) and Turkey ($100 million). In addition, US military advisers were sent to Greece. Stalin, who seems to have stuck to the Percentages Agreement not to interfere in Greece, saw this as evidence of the USA’s intentions to expand its sphere of influence.

**George C. Marshall (1880–1959)** Marshall became chief of staff during the Second World War and pushed for an Allied advance through France, believing this was the best way to defeat Germany. As well as being the architect of the Marshall Plan to aid the economic recovery of Western Europe, he also headed the Marshall Mission to China in 1945–46, hoping to maintain the nationalist–communist alliance.

**Joseph McCarthy (1909–57)**

McCarthy became Republican senator for Wisconsin in 1945. In 1950, he began his campaign against suspected communists in the US administration. In 1952, he used the House Un-American Activities Committee, but had no real evidence to back up his claims. He began to lose credibility in 1954, after failing to supply any proof during a televised hearing. He went on to accuse the army and even Eisenhower.
Historians have put forward various reasons why the policy of containment was adopted so quickly by the US in the late 1940s. For instance, as the US emerged from the Second World War as a truly global power with worldwide interests, developments anywhere in the world might endanger the economic interests and thus the power of the US, and should therefore be resisted. Also, both US industries and the military had benefited from the war economy. Continued growth would be assured if a new threat appeared to take the place of the Axis Powers, as this would maintain the need for high government expenditure. In addition, such military expenditure might help stave off a new Depression in war-torn Europe. This fear was especially prevalent in the 1940s, as communist and socialist parties in Western Europe were quite popular, while nationalist movements in European colonies were threatening vital sources of raw materials and markets.

The Marshall Plan

As well as giving aid to Greece and Turkey, Congress decided to help revive the economies of Western European states by means of US credits and the revival of the German economy. On 17 January 1947, Dulles floated the idea of a European economic union. When the Council of Foreign Ministers, meeting in Moscow in April 1947, failed to reach agreement over the question of Germany (partly because of US opposition to the repeated Soviet request for reparations, and partly because of Soviet intransigence), this idea was linked to economic aid as an anti-communist tool. All this was designed to gain congressional support, especially as an expanded European economy would also be good for US exports. At the same time, it would allow the revival of the German economy within a European framework, thus preventing what France in particular feared – a new German dominance.

**SOURCE B**

In a similar way, it is a grave error to evaluate or interpret the diplomatic moves of 1945 and 1946 in an economic vacuum. . . . The determination to apply the Open Door Policy to eastern Europe . . . evolved concurrently with a deep concern over economic affairs in the United States. . . . By March 1946, the New York Times reported that 'in all groups there is the gnawing fear that after several years of high prosperity, the United States may run into something even graver than the depression of the Thirties.'


On 23 May 1947, Kennan gave his support to the idea, and the Marshall Plan was announced on 5 June 1947. Technically, this was open to the Soviet Union and states in Eastern Europe, but its political and economic criteria and goals meant Stalin was unlikely to accept it. These criteria included allowing the US to examine the financial records of all applicant countries, and allowing 'free' enterprise. Both the USA and the USSR saw the Marshall Plan as an attempt to weaken Soviet control of Eastern Europe, and the Soviet Union saw it as an
example of ‘dollar imperialism’, designed to establish US influence in Europe. In fact, in 1947, Truman stated that ‘the Truman Doctrine and the Marshall Plan were always two halves of the same walnut’.

Initially, the US Congress was opposed to the Marshall Plan, and it was not until March 1948 (after the communist coup in Czechoslovakia in February) that a figure of $4 billion was agreed. In August, the Western European states calculated that $28 billion were needed, though the US finally reduced this to $17 billion.

At first, the Soviet Union’s response to the Marshall Plan was mixed. Although it saw the plan as an extension of the Truman Doctrine, and was not in favour of US economic and political domination of Europe, it also needed US capital and goods. The USSR took part in early discussions in June, but the continued refusal by the US, Britain and France to consider German reparations led to the breakdown of talks. Because this disagreement threatened to delay the Marshall Plan at a time when the economic situation in Britain and France had become serious, it was decided to exclude the Soviet Union from further discussions and to exaggerate the differences between the two sides.

Fact

By the time of the Paris talks in July 1947, the Soviet Union had decided that participation in the proposed scheme would involve too many risks and rejected further negotiations. In fact, by then, Soviet spies in Britain had informed Stalin that the US, Britain and France had held talks earlier in London to preclude Soviet participation.
On top of other decisions made in 1946–47, the Truman Doctrine and the Marshall Plan contributed to the collapse of the earlier Soviet policy of cooperation with the USA over western and southern parts of Europe. In this way, along with Soviet actions in Eastern Europe, they both contributed to the split of Europe into two opposing camps.

**What were the main points of tension in Europe from 1947 to 1949?**

**The Cold War deepens, 1947–49**

The divisions that emerged during 1946 and the first half of 1947 were exacerbated by developments that took place between the summer of 1947 and 1949. One factor that contributed to these developments was the 'Mr. X' article, written by Kennan and published in July 1947. This further influenced both Truman and the American public.

**SOURCE C**

It is clear that the main element of any United States policy towards the Soviet Union must be that of a long term, patient but firm and vigilant containment of Russian expansive tendencies. ... It must continue to regard the Soviet Union as a rival, not a partner, in the political arena.

Extract from Kennan’s 'Mr. X' article. Published in Time magazine. July 1947.

As international tensions rose, the CIA intervened in both Italian and French politics to counter local communist influence. It also conducted covert operations in Albania, the Baltic states, Poland and the Ukraine. Such actions only fuelled Stalin’s determination to control the states of Eastern Europe even more closely and to eliminate ‘imperialist agents’ in those satellite states. The Soviet response was twofold: to both increase control of Eastern Europe, and integrate the economies of those states into that of the USSR. While these measures were closely connected to the USSR’s need for reparations and economic resources, they only served to increase Cold War tensions.

**The Soviet takeover of Eastern Europe**

As early as February 1946, the USSR had been attempting to increase influence in ‘its’ zone or sphere of influence in Eastern Europe, in part due to Stalin’s desperation to rebuild the Soviet Union’s war-devastated economy. One event that had helped turn the tensions of 1945–46 into a Cold War had been the speech made by James Byrnes in Stuttgart in September 1946. In this speech Byrnes suggested that Germany might be able to ‘redraw’ its newly established border with Poland, creating an ‘enlarged’ Germany.

During the summer of 1947, following the implementation of the Truman Doctrine and the Marshall Plan, Soviet influence and control in Eastern Europe was stepped up, resulting in increasingly communist-dominated governments in Poland, Hungary, Romania and Albania.
A map of Europe, showing the extent of the Soviet sphere of influence by the end of 1949.

The USSR soon came to see Europe as being divided into two antagonistic camps, and consequently believed that strengthened control of Eastern Europe was essential for security. The main steps in this process are detailed below.

**Poland:** Stanislaw Mikolajczyk, the new deputy prime minister and leader of the important Peasants’ Party, was unco-operative and, as a result, the elections due in February 1946 had been postponed until January 1947. Communist manipulation then ensured a communist victory, with Mikolajczyk’s party winning only a handful of seats.

**Bulgaria:** the Communist Party (via the Fatherland Front) had ignored earlier Soviet agreements about allowing representatives of the opposition to have a role in government. After the October 1946 elections, the communists were mainly in control and, during 1947, the activities of the main opposition party were increasingly restricted.

**Hungary:** the Smallholders’ Party (KGP) that had won the October 1945 elections formed a government with Ferenc Nagy as prime minister. Nagy faced a Left bloc made up of the Communist, Social Democrat and National Peasants parties. On 5 March 1946, a coalition government was set up, but by the summer of 1947 Nagy had been forced to resign. New elections, held on 31 August 1947, resulted in a communist victory.
Romania: under the leadership of Dr Petra Groza, a government had been formed in Romania which, after the inclusion of representatives of the National Peasants and the Liberals, had been recognised by the West. However, after a stormy campaign (and vote-rigging) in November 1946, the Communist Party and its allies had won almost all the seats. During 1947, all three main opposition parties were closed down, and on 30 December 1947 the king abdicated. The new People’s Republic of Romania was declared.

Czechoslovakia: the situation developed rather differently here, as support for the Czech Communist Party and the Soviet Union was quite strong. In free and fair elections held on 26 May 1946, the communists won 38% of the vote. Harassment of non-communists did not begin until the summer of 1947, when a serious economic crisis developed. The Czech Communist Party then put pressure on the coalition government and most non-communist ministers resigned on 20 February 1948. In new elections, the communists and their allies won over 66% of the seats and the president, Edvard Beneš, was replaced.

Cominform and Zhdanov’s ‘Two Camps’ speech

On 22 September 1947, Soviet control of these Eastern European countries took a step further when the communist parties of these states met in Poland. They agreed to set up the Communist Information Bureau (Cominform) and, under Soviet politician Andrei Zhdanov’s influence, the Marshall Plan was condemned as preparing to extend US power in order to launch a new world war. In his opening speech, Zhdanov spoke of the world being divided into two opposing camps; this became known as the ‘Two Camps’ Doctrine.

A new alignment of political forces has arisen. The more the war recedes into the past, the more distinct become two major trends in post-war international policy, corresponding to the division of the political forces operating on the international arena into two major camps: the imperialist and anti-democratic camp, on the one hand, and the anti-imperialist and democratic camp on the other... The vague and deliberately guarded formulations of the Marshall Plan amount in essence to a scheme to create blocs of states bound by obligations to the United States, and to grant American credits to European countries as a recompense for their renunciation of economic, and then of political, independence. Moreover, the cornerstone of the Marshall Plan is the restoration of the industrial areas of Western Germany controlled by American monopolies.


Cominform was intended to keep the communist parties in Europe under Moscow’s control. This was a significant step, and marked the end of the flexible and hesitant foreign policy of the USSR in relation to US actions. The Truman Doctrine, the Marshall Plan and German reconstruction thus proved to be important turning points. The latter policy in particular worried many in those Eastern European states sharing a border with Germany.
Yugoslavia

One exception to these developments in Eastern Europe was Yugoslavia, where Tito (see page 30) had already established a communist government, despite Stalin’s ‘Percentages Agreement’ with Churchill (see page 54). Stalin withdrew all Soviet economic and military advisers in March 1948, in an attempt to topple Tito. However, Tito resisted, the Yugoslav Communist Party backed him, and he then arrested Stalin’s Yugoslav supporters. In June 1948, Yugoslavia was expelled from Cominform for ‘bourgeois nationalism’ and, under pressure from the Soviet Union, other Eastern European countries broke off diplomatic and trade links. This was followed by a purge of ‘Titoists’ in the Eastern European communist parties.

At the same time, communist parties in the West were instructed to campaign against the Marshall Plan, and protest strikes were called in France and Italy during the winter of 1947–48. As Western European politics began to shift to the right in the late 1940s, it was clear that the Cold War was affecting internal as well as international politics.

Sovietisation and the ‘peoples’ democracies’

With Cominform established, the Soviet Union pushed hard for ‘peoples’ democracies’ to be established in Eastern Europe, with planned economies run along the lines of the Soviet model. As local communist party leaders were increasingly replaced with those selected by Stalin himself, Soviet control over these satellite states was strengthened. However, such actions only served to increase Western support for Truman’s policy of containment.

Germany and the problem of reparations

Since its formation in 1871, Germany had enjoyed great geopolitical importance in Europe. After 1945, it was clear that the country would be fundamental to the European (and even global) balance of power – and thus of tremendous importance to Soviet security concerns. As tensions grew into the Cold War, both sides feared Germany becoming part of the opposing camp.

At Potsdam, it had been agreed that, despite a temporary division into four Allied zones of occupation, Germany should be treated as one economic unit administered by the Allied Control Council (ACC). Berlin, deep inside the Soviet zone of Germany, was also to be divided into four zones; it was also agreed that the ‘Five Ds’ should be applied to Germany.

The division of Germany and Berlin after the Second World War
Lucius Clay (1897–1978)
General Clay was commander of US forces in Europe, and military governor of the US zone of Germany, 1947–49. He was best known for his organisation of the Berlin Airlift.

However, the unresolved question of reparations continued to cause problems between the Soviet Union and the other allies. Although the Soviet Union was the first occupying power to allow democratic parties in its zone, and was a more co-operative member of the Allied Control Commission than France, tensions soon arose over political developments in the Soviet zone. The main issue was economic. The Soviet Union had liked the idea of the 'pastoralisation' of Germany (i.e. that the new post-war Germany should be essentially non-industrial), put forward by US secretary of the treasury Henry Morgenthau. But the US and Britain soon decided that a revival of German industry was essential, partly because it was seen as vital to the recovery of the Western European economies in general, and partly because the US and Britain were unable or unwilling to prop up the German economy indefinitely.

In April 1946, General Lucius Clay, the US military governor, had told the US State Department that he believed the Soviet Union was co-operating over the Potsdam agreements and had no plans for aggression. However, Byrnes had decided to test this at the Paris meeting of the Council of Foreign Ministers that began later that month. He proposed that all four Allies should sign a pact to demilitarise Germany for 25 years. Although Molotov, the Soviet foreign minister, did not reject this, the meeting broke up because of the USA's continued refusal to consider the question of reparations.

The creation of Bizonia and Trizonia
On 3 May 1946, because of lack of agreement on an all-German trade policy, Clay was told to stop all reparations deliveries to the Soviet Union. This included 25 million tonnes of coal, which were exported to Western Europe instead. This was seen by the Soviet Union as an attempt to force through the creation of a revived German economy that would be part of the international global capitalist system, and allied to the US. In July, Molotov insisted on $10 billion in reparations from Germany on behalf of the USSR. Once again, Byrnes for the US refused until the German economy had recovered.

On 27 July 1946, Britain and the US agreed to merge their zones to form one economic unit, and in January the following year, the two zones were joined in what became known as Bizonia. In February, Britain threatened to pull out of Bizonia if efforts were not made to revive German heavy industry. At the March–April meeting of the Council of Foreign Ministers in Moscow, the question of reparations was raised again. Although Clay still favoured some concessions on this, Marshall was opposed, while Dulles claimed a revived West German economy would help the economic problems in France. Britain put forward a proposal to revise the Potsdam agreements by getting the USSR to give some of the resources it had already seized to the Western zones, and to accept that there would be no shipments of coal or steel to the USSR until the German economy was thriving. The proposal was rejected by the USSR.

The USSR began to see these steps as an attempt to build up the economy of a Western Germany (with 75% of the German population and the important industrial regions), which might become a military threat in the future as it had been in the past, especially if it were allied to what the Soviet Union perceived as an increasingly hostile USA. During November and December 1947, the Council of Foreign Ministers met in London, and Britain and the US agreed on one last attempt to revive the economy of a unified Germany. However, as they had no intention of agreeing to Soviet demands for reparations, and they knew
The Berlin Blockade was the first open Cold War conflict between the two sides. However, this crisis did not develop into a ‘hot war’. Instead, the Allied response was the massive Berlin Airlift.

A cartoon showing how the Russians feared that Nazi aggression would ‘hatch out’ again once West Germany was rebuilt.

the USSR would not approve the plans without reparations, the talks were expected to fail. They agreed that, in this event, they would develop Bizontia and introduce currency reform as preliminary steps to the establishment of a separate West German state. On 7 June 1948, France agreed to join its zone to Bizontia, to form Trizonia. On 13 June, without consulting the Soviet Union, the West introduced a new currency, the Deutschmark, to replace the Reichsmark. On 23 June, this was extended to West Berlin.

The 1948 Crisis in Berlin – the Berlin Blockade

The Soviet Union, opposed to the idea of a separate West German state, tried to prevent this by putting pressure on West Berlin. On 24 June, the USSR cut off all road, rail and freight traffic to West Berlin. The supply of electricity from East to West Berlin was also cut. This Berlin Crisis – known as the Berlin Blockade – was the first open Cold War conflict between the two sides. However, this crisis did not develop into a ‘hot’ war. Instead, the Allied response was the massive Berlin Airlift, in which tonnes of food, fuel and other basic items were flown from Trizonia into West Berlin to supply its two million citizens. The airlift lasted for almost a year, until May 1949, when the obvious failure of the blockade finally led Stalin to call it off.

Berlin Airlift Aid organised by General Clay. Having a good grasp of the Soviet Union’s military weakness – and thus its unwillingness to risk armed conflict – Clay had advocated the use of tanks to break through the road blocks. This advice had been rejected by both Truman and Ernest Bevin, in favour of maintaining links by air.
West Berliners cheering an Allied plane bringing in supplies during the Berlin Airlift.

In fact, the Berlin Blockade actually speeded up the very thing it was intended to stop – the establishment of a West German state. The West portrayed the blockade as an attempt by the Soviet Union to drive the Allies out of West Berlin in preparation for taking over the western zones of Germany. The prime ministers of the West German Länder, who had at first been reluctant to accept the creation of a separate West German state, now agreed as a way of ensuring US protection against this Soviet ‘takeover’. In May 1949, the new Federal Republic of Germany (FDR) was set up.

At first, the USSR was still reluctant to set up a separate East German state. It hoped to avoid a permanent division and instead wanted to see the emergence of a neutral Germany, independent of a US-dominated Western Europe. However, on 7 October, the USSR finally accepted the division of Germany and
announced the transformation of its eastern zone into a new state, called the
German Democratic Republic (GDR). As with the Allied High Commission in
West Germany, the Soviet Control Commission in East Germany retained
considerable powers of supervision over the area.

This division of Germany – and Berlin – soon came to represent the division of
Europe into two mutually suspicious and hostile camps. Soviet fears that the
West wanted a revived Germany closely allied to the US were confirmed in 1955,
when West Germany was allowed to join NATO (see page 19).

**How did the First Cold War develop in Europe from 1949 to 1953?**

**US perceptions of the Soviet threat**

When Roosevelt had been US president, he had not seen the Soviet Union as
a serious threat to his country's security. Mindful of Russian history and fears
– and of the fact that, on several occasions, the USSR had come close to defeat
during the Second World War – he was prepared to make some concessions.
In particular, he believed the Soviet Union desired three things:

- a sphere of influence in Eastern Europe (to include, if possible, those Middle
  Eastern and Asian states that also had borders with the USSR)
- reparations from former Axis Powers (especially Germany)
- US financial support in reconstructing the USSR.

Roosevelt did not intend to give Stalin everything he wanted, though – he
expected that any concessions on these issues would be on American terms.

However, Roosevelt's death and Truman's accession had allowed Byrnes to push
for a tougher policy, and concessions would only be forthcoming if the Soviet
Union accepted that the US should be the strongest power, based on its nuclear
monopoly. When US credits were not forthcoming, Stalin placed reliance on
reparations. When these were persistently refused by the US and Britain, the
Soviet Union turned to the pursuit of security via tight control over Eastern
Europe and the development of its own atomic weapons.

Many Western European countries came to depend on the USA's military
strength, as well as looking to it for economic assistance. Britain, for instance,
wanted US help to support its interests in Europe and the Middle East; while
France needed help to maintain its colonial possessions in Southeast Asia.
However, Truman's advisers came to believe that they could win the emerging
Cold War by stimulating massive economic growth in the West, which could
then 'win' the Eastern European states from the Soviet Union.

By then, some US advisers, including Kennan, had come to believe that the
tough stance taken by the West since 1947 had made the USSR ready to
negotiate away their sphere of influence. However, others (such as Clay) feared
that the overall military weakness of the Soviet Union might lead it to launch
a 'defensive' war in the near future, before the imbalance became even greater.
The CIA also issued warnings, so, on 17 March 1948, Truman asked Congress
to approve military training for all adult males, and selective military service
for some. This was unusual in times of peace, and showed the US public how
serious the president believed the situation to be.
Military developments and the formation of NATO

Soviet actions in Eastern Europe — especially the communist takeover in Czechoslovakia in February 1948 — led countries in Western Europe to form the Brussels Treaty Organisation (BTO). The Berlin Crisis, which had begun in June 1948, resulted in an increased sense of military insecurity in Western Europe, and led many politicians to conclude that only the US could maintain a 'balance of power' in Europe.

By late 1948, however, Marshall and Kennan had both concluded that the limited response of the Soviet Union over Berlin had shown the Soviet threat to be a political and not a military one. Consequently, they believed it could be contained by mainly non-military means, as Soviet power was at its peak and would soon decline — especially if the economic (as well as military) strength of the West was increased.

After the Berlin Crisis was over, Ernest Bevin, the British foreign secretary, worked hard to include the US in a European alliance. The US was more than willing to see the setting up of a global military alliance. On 4 April 1949, the BTO became the North Atlantic Treaty Organisation (NATO), with the US and Canada as new members. The treaty was signed in Washington and the US was clearly the strongest member. In fact, from the beginning, NATO was based on the USA's nuclear monopoly, and the country’s nuclear strength remained the main element in NATO strategy throughout the Cold War.

The Soviet reaction

The initial Soviet response to the increasing tensions that followed the Berlin Crisis was more economic than military (though Soviet military expenditure did increase). At first, the Soviet Union came up with the Molotov Plan — a series of bilateral trade agreements between the Eastern European states and the USSR. In January 1949, the Soviet Union announced the formation of Comecon — the Council for Mutual Economic Assistance (CMEA), which bound states in Eastern Europe even more closely to the Soviet Union. The creation of NATO raised huge security concerns among the Soviet leadership, as the USSR was at most only a regional power, whereas the USA was already clearly a global superpower. The victory of the Chinese communists, which led to the creation of the People’s Republic of China in October 1949, did little to even up the relative standing of the opposing forces in the Cold War.

Soviet fears increased in the 1950s, when similar US-dominated treaties were created in the Pacific and the Middle East. These treaties, which gave the US an even wider spread of foreign bases, only served to underline the global isolation of the Soviet Union.

The nuclear arms race

A significant development in the Cold War, which gave a new dimension to international relations between East and West, occurred in August 1949 when the Soviet Union exploded its first atomic bomb. The US nuclear monopoly was thus ended, and a nuclear arms race began. The US was determined to keep well ahead of Soviet military capabilities, while the USSR was equally determined to match US nuclear capabilities. By 1952, the USA had developed a much more powerful nuclear weapon. The H-bomb ushered in the thermonuclear age, and by 1953 the USSR had matched it.
Stalin's foreign policy, 1949–53

In October 1949, with the creation of the communist People’s Republic of China led by Mao Zedong, and then the start of the Korean War in June 1950, Cold War tensions mainly shifted from Europe to Asia (see Unit 2, page 88). However, developments in Asia had an impact on the situation and subsequent developments in Europe itself.

After the Berlin Crisis of 1948–49 and the formation of NATO in April 1949, the Soviet Union followed a dual-track foreign policy in the early 1950s. While its control of Eastern European satellites was consolidated, it also tried to limit the polarisation of Europe into two opposing Cold War camps.

The Stalinisation of Eastern Europe

The effect of the dispute between the Soviet Union and Tito’s Yugoslavia in 1948–49, was that Stalin’s determination to control the Eastern European bloc was strengthened. In the early 1950s, Titoists were accused of working with the West to restore capitalism in Yugoslavia. There began a witch hunt for Titoists in other Eastern European communist parties, followed by a wave of purges and show trials, which affected even top party and state officials.

All this was part of Stalin’s attempt to turn the Eastern European bloc from a Soviet-dominated alliance into a tight monolithic unit controlled from Moscow, with no permitted deviation from Stalin’s policies.

Attempts to limit Cold War polarisation

After 1949, Stalin attempted to limit the emerging nuclear arms race by launching what became the first of several ‘peace campaigns’. Official statements from Moscow stressed the dangers of a new – nuclear – world war, while communist parties in the West conducted campaigns against the threat posed by nuclear weapons. At the same time, the Soviet Union began to put forward proposals for the neutralisation and demilitarisation of Germany and Central Europe. In part, this was influenced by the huge amounts of money the Soviet Union felt it had to divert to the defence industry in order not to fall too far behind the US. Although the US had also scaled down its forces after 1945 (to 1.5 million troops), it retained a clear nuclear superiority.

According to the Soviet Union, these ‘peace campaigns’ were a continuation of its pre-1939 attempts to maintain peace in Europe. The encouragement of mass peace movements, which would campaign for disarmament in Western states, thus seemed a logical way to attempt to limit the risk of Western governments launching any military attack on the Soviet Union. This approach, which began to take shape in 1949, reached its peak in the early 1950s, with millions of peace activists campaigning across the world. Similar movements were also established in Eastern Europe, but these were clearly communist-controlled.

Stalin hoped that such wide support would put pressure on Western governments to reduce the international tensions created by the Cold War, and to follow policies more to the liking of the USSR.

Linked to this approach were attempts – after 1949, and the establishment of NATO and the division of Germany – to turn Germany and Austria into a neutral Central European zone. In 1950, following the West’s announcement of the
**Historical debate**

The opinions of historians are still divided on whether the Stalin Notes were a genuine reflection of Soviet policy and what Stalin really wanted to happen to Germany after 1945. Richard Raack (1993) suggests that, as early as June 1945, Stalin had commented to a group of German communists that there would be 'two Germanys' after the war, showing he accepted that Germany would be dismembered. Loth (1998), however, argues that Stalin was still aiming for a unified Germany – though restricted, and with some Soviet influence – as late as 1952.

Some historians have suggested that such proposals were merely propaganda ploys – the USSR knew they would be rejected by the West, but believed they would please their supporters in Germany, as well as some NATO countries. Others, such as Caroline Kennedy-Pipe, have stressed this was simply a continuation of post-1945 Soviet security policy, and thus could be seen as both consistent and genuine. According to Geoffrey Roberts, Stalin’s preferred option appears to have been a united, left-leaning – but not socialist – Germany. However, the communist victory in China in 1949, and the start of the Korean War in 1950, made the success of such proposals unlikely.

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**Question**

What does this cartoon tell us about Soviet fears?

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A cartoon published in the USSR in the 1950s, after West Germany had been allowed to join NATO, the president of the US, Eisenhower, is shown carrying a picture of Hitler.
The impact of the Korean War

The start of the Korean War in 1950 increased Cold War tensions and persuaded Truman to act on the policy document NSC-68 (see pages 92–93). This had been drawn up earlier by the State and Defense Departments after Truman had asked the National Security Council to reappraise the USA's Cold War policy. The document called for a trebling of US defence expenditure, so that the Soviet threat could be met anywhere in the world. Truman increased the defence budget from $13.5 billion to $50 billion and, in 1952, plans were drawn up to increase NATO divisions from 14 to 50, and to establish US army, air force and naval forces in Europe. As a result, US military power increased dramatically throughout Western Europe. In addition, it was decided to re-arm West Germany in case the Soviet Union should try to reunite Germany by force, and to expand NATO in Europe by granting membership to Turkey and Greece.

These developments – and the security pacts the US signed with various Pacific states – increased Stalin's fears and forced him to divert huge economic resources from industrial reconstruction and development into defence expenditure. Given the USSR's relative economic weakness, this produced much more negative results for the Soviet economy than military spending did in the United States.

Unit summary

You should now have a reasonable understanding of the main problems and developments in Europe in the years 1946–47. In particular, you should have a good knowledge of the details and effects of policies such as the Truman Doctrine and the Marshall Plan, and of Soviet actions in Eastern Europe. In addition, you should be able to evaluate the roles played by key individuals, such as Truman, Churchill and Stalin. You should also understand the main actions and developments that led to the Berlin Blockade and Airlift of 1948–49, the formation of NATO, and the Soviet Union's development of nuclear weapons as well as the impact of such events on the Cold War.

End of unit activities

1. Research and make notes on the historical arguments surrounding the view that the main purpose of the Marshall Plan was to further the economic interests of the USA.
2. Produce a table to summarise the main steps in the Soviet takeover of Eastern Europe in the period 1946–49.