

National Security Strategy: The Nature of the Soviet Union, 1917–1945

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January 1, 2014

Overview We begin our study of the history of U.S. national security doctrine with a look at how this country emerged from isolationism as a superpower by the end of the Second World War. The major goals are to see what sort of country the Soviet Union was, why it pursued the policies that antagonized it from the West, and how its behavior was interpreted by the Americans. We are trying to uncover the preferences of the major actors in order to analyze what strategies they might want to use in pursuit of their goals.

From 1945 to 1991, the Cold War dominated American foreign policy, and in many ways affected much of domestic life. It cost the US over \$8 trillion in defense expenditures and over 100,000 lives lost in various conflicts around the globe. The US fought and won a major war in Korea and fought and lost another one in Vietnam. The bitter experience of the latter one ushered in an era of cautious restraint that was broken by the events of recent years. For half a century, America defined its national security in terms of opposing the threat of communist expansion driven by the Soviet Union. Thus, we shall concentrate on the US-Soviet relations during the Cold War; examine the shifts and vacillations of US policy as it attempted to implement the tenets of the underlying grand strategy of containment.

Our goal in this lecture is to study the background of this conflict. What were the incompatible and competing goals of its two principal actors (their preferences)? Why did they create such a rupture between these allies of the Second World War? What options did they have and what choices did they make?

Each study of the strategic interaction between opponents must begin with an analysis of their preferences. As we shall see, this fundamental component is often among the most difficult to do. It is hard, sometimes even impossible, to ascertain what your opponent prefers. This makes it exceedingly difficult to predict how he would react to your actions, and so strategic planning of policies in pursuit of national goal is an enterprise fraught with uncertainty and subject to continuous revision as new information becomes available and old beliefs die out.

What, then, was the Soviet Union? What were the goals of its leaders and why did they clash with American interests? After all, the Russians had relinquished territories peacefully to the U.S. before (Alaska). Their interests in central Europe and the Middle East bothered the British, the French, and the Germans, but it is not clear why it should have alarmed the Americans. Russian interests in the far East strained relations with China and Japan (the latter fought and won a major war against the Russian Empire in 1904-1905). But America?

1 The Soviet Union: Creation and Civil War

The Russian Empire was created in the 16th century when the Mongol conquerors were finally expelled from the European territories. The succession of imperial rulers expanded and modernized the country until it covered over one-sixth of the world's territory. However, the nobility's need to preserve their preeminence slowed the pace of economic reforms until they ground to a halt because of opposition against freeing the peasants. The serfs, as the peasants were called, were bound to the land and were not allowed to leave without permission of the landlord. The feudal system caused constant unrest (culminating in an uprising in 1825 and an attempted revolution in 1905) but despite the rudimentary parliamentary system Tsar Nicholas introduced in 1905, the country remained backward, under-industrialized,

and poor by Western standards.

The country was ripe for reform, and 1905 had demonstrated clearly that failure would provoke domestic unrest that might spark revolution. It is worth noting that in many respects 1905 was a trial run for 1917. First, there was the humiliating loss in a foreign war. In 1904, Japan had clashed with Russia over their competitive interests in China. On one hand, the Russians wanted to colonize Manchuria and close it off for their backward economy could not hope to compete with either the Americans or the Japanese. From the 1890s the U.S. (which also needed unfettered access to markets and materials and supported “open door” trade policies) tried to stop Russian expansion in the far East by supporting Japan. Japan was still emerging from centuries of feudal rule, and it was generally dismissed by the Russians as an inconsequential upstart, meaning that the Russian Empire was in no mood to offer any concessions.

The Russo-Japanese War of 1904-05 began with a surprise Japanese attack on Port Arthur, and soon the Russians discovered that they had completely underestimated their opponent. Fighting on the ground soon resulted in stalemate with heavy casualties presaging what would happen on the Western Front during the First World War. In an attempt to break the deadlock and win, the Russians dispatched their Baltic Fleet which sailed half way around the world only to be annihilated by the brilliant naval tactics of the Japanese. The universally grim news from the front combined with the costs of the war and deprivations that the backward Russian economy could not cope with produced violent discontent at home.

Suddenly the imperial government found itself in dire need of troops to protect itself from its own citizens. It quickly patched a peace with Japan, which was forced by the U.S. to accept terms more lenient to the Russians than what they could claim on the basis of their showing in the war. The revolution at home was crushed, but Russian expansion in the far East was temporarily checked. This whole episode then is almost equivalent to what would happen in 1917: a country losing a foreign war, mounting costs, need for reform triggering unrest, and a revolt. In 1917, however, there would be no salvation for the regime.

The economic stress caused by the First World War produced social and political upheavals in Russia (and just about every other belligerent). The Tsar abdicated and in early 1917, a Provisional Government was formed to solve the country's problems. Unfortunately, this government made a crucial mistake in continuing the unpopular war. Further protests demanded solutions to worsening food shortages and rampant inflation. The Russian army was also doing badly. It was poorly led, inadequately equipped, and starving. The soldiers were pressed into service for 20 years, a brutal existence that made them ready recipients of communist propaganda. With the disintegration of the armed forces, the road to power was open.

In October 1917, a determined and violent communist minority engineered a coup that destroyed the existing government. With German financing, the exile **Lenin** (Vladimir Ilyich Ulyanov) arrived in St. Petersburg, led the October Revo-

lution to success, and began consolidating the communist hold on power. Lenin was the leader of the **Bolsheviks** (the majority branch of the communist party) who believed in achieving social utopia by reorganizing the country along the lines proposed by **Karl Marx**: a classless communal society where the workers are the owners of the tools of production instead of selling their labor to capitalists. Everyone would give what they could according to their abilities, and everyone would receive what was necessary according to their needs. This powerful vision sat well with the disillusioned proletariat (working class), whose champion the Communist Party ostensibly was.

The Bolsheviks found themselves at war with many enemies, both internal and external. Externally, the Germans demanded enormous concessions and begun pressing into Russia. Internally, the communists faced the White Russians (royalist forces and well-organized remnants of the Tsarist armies), along with British, French, Czech, and American troops who came to assist the Whites in their attempt to overthrow the Reds. Finally, the communists had to deal with the explosive situation that had produced their own revolution: The inadequate food supply for the cities (where the proletariat was starving) because there was no money to pay for the agricultural production of the peasants, who comprised the vast majority of the population.

Deprived of an army, Lenin solved the external problem by making unimaginable concessions to the Germans. The new state lost enormous tracts of land, including the fertile Ukraine, and most of its industrialized regions. A brief war with Poland in 1920 also strained the resources of the state. The communists reasoned that if they did not appease the Germans, they would have no chance to consolidate their power and would be swept out of government almost as soon as they had taken it. With the cool logic of necessity, Lenin sacrificed what centuries of Russian rulers had fought to obtain and preserve. The treaty of Brest-Litovsk (1918) took Russia out of the war and enabled the communists to concentrate on problems inside their country.

(As it turned out, obtaining the peace with Russia and getting hold of its best lands did not help the Germans. They had hoped to exploit the resources of the Ukraine, but 1918 turned out to be a very bad year for agriculture. They had hoped to transfer the troops to break the stalemate in the West, but they found out that communist propaganda had thoroughly demoralized them, and, even worse, it infected the troops in the West as soon as they got in contact with the ones arriving from the East.)

There were many internal problems, and these could not be solved with concessions. The Whites wanted the restoration of the last regime. Perhaps they were not prepared to bring back the Romanov dynasty, but they were certainly not going to endure the “dictatorship of the proletariat.” This was a struggle to the death, and the country entered a period of intense violence, the Civil War, which lasted for four years.

The Whites were helped by a number of foreign interventions. President Wilson refused to open diplomatic relations with the new state (even after everybody else accepted it by 1924). Tens of thousands of Western troops invaded the country against the communists. They wanted to restore the old regime hoping that it would bring Russia back into the war against the Central Powers. In addition, communism seemed a dangerous doctrine that ran counter to the liberal capitalism of the allies and that was hostile to capitalist states to begin with. (We shall study the interpretation of the doctrine next time.)

The end of the First World War created a bunch of buffer states around Russia: countries like Yugoslavia and Czechoslovakia came in place of what used to be mostly Ottoman or Austrian ruled lands. Poland was resurrected yet again, and almost immediately it went to war with the Russians. The Russo-Polish War of 1920 began with a Polish invasion (in an attempt to gain territory), and ended when the Russians pushed the Poles back to Warsaw but then utterly failed to defeat them. The peace of Riga reflected this in that it was mostly in Poland's favor.

Amazingly, the young Soviet state—attacked from within and without—survived and defeated its enemies. At enormous costs and with unspeakable brutality, the hastily created Red Army crushed the opposing forces one by one and secured the borders. The regime of terror, **war communism**, swept the country. The state limited the peasant's ability to sell their produce at market prices, which guaranteed a steady supply of food for the cities where the Party was strong. To fight the Civil War, the Bolsheviks requisitioned supplies, nationalized industries, and abolished private trade. Millions of peasants starved to death when their food was confiscated. The state took over the entire economy by centralization of planning.

Lenin, having recognized as early as 1921 that the economic plans were not working, introduced the New Economic Policy (NEP) that allowed private ownership and encouraged foreign investment. Many American companies like Ford, GE, and Westinghouse, rushed to invest tens of millions of dollars (more than the U.S. had invested in Russia before WWI).

However, when Lenin died in 1924, Stalin came on top in the ensuing struggle for power. He had a different vision for the country: USSR would modernize on its own. Stalin inaugurated the 5-year plans in 1928, according to which the state would plan the economy for the next five years, setting production quotas and targets for everything from consumer products to military equipment. The plans would then be distributed to the local officials who would see to their implementation. A **command, planned economy** came into being. The NEP was thrown to the winds by the end of 1929. Stalin's idea about the self-sufficiency of the USSR derived from the fear that the country was too weak to withstand encroachments by its enemies. And enemies it had a plenty.

In December 1922 the Union of Soviet Socialist Republics (USSR) came into being when four republics—Russia, Ukraine, Belorussia, and the Transcaucasian Soviet Federated Socialist Republic (split in 1936 into Armenia, Azerbaijan, and

Georgia)—signed the treaty of union. Each republic theoretically retained a right to secede, and had sovereignty symbolized by its own flag and constitution. The various parts of the Russian empire were given independence, reconstituted as republics, and then offered a chance to join the Union. Of the former Empire, only Finland, Lithuania, Latvia, and Estonia declared independence and refused to join.

The western borders of the Soviet state were entirely encircled by pro-Western anti-communist countries, from the Baltic to the Black Sea. Romania seized the important territory of Bessarabia. In the east, the legacy of Imperial Russia hounded the USSR as well. The interests of the former Empire had clashed with Japanese and American trade goals as early as the 19th century. With hostile Poland, the result was an encirclement of the Soviet state by powers friendly to the West, a **cordon sanitaire** (quarantine belt), to which the Soviets had to acquiesce, at least for the time being.

The communists learned two lessons from the Civil War: (i) the West would attempt to strangle the new state at any opportunity, and (ii) repression and policies of force can mobilize the country successfully for almost any purpose. Their conclusion was that the only way to ensure the survival of the USSR was to rapidly modernize the country through industrialization, and create a powerful army that could protect it from the encroachments of its neighbors. The 1924 constitution formally enshrined public ownership of land and means of production, along with the dictatorship of the proletariat as the mode of governing.

The rapid industrialization demanded cheap foodstuffs to feed the workers. Stalin began the process of **collectivization**: all private property was confiscated from the peasants and put under the control of a “cooperative,” whose membership was compulsory and which was to supervise production. When the peasants resisted, Stalin induced a famine in the Ukraine that killed over 3 million people. The people capitulated in the face of brutal repression, widespread terror, and the omnipresent threat of the internal security forces and the Red Army.

Stalin’s plans worked. When President Roosevelt recognized the USSR in November 1933, the Soviets had achieved the impossible. The country that was the European backwater and laughingstock of every civilized nation only 20 years ago, was now a modern state whose growth rate stunned imagination. More importantly, the Russians were producing tanks, airplanes, artillery, and building factories in numbers that were utterly incredible. For example, by the late 1930s, the Russians had more tanks than the rest of the world combined. The Soviet state seemed capable of defending itself against the aggression communist doctrine regarded as inevitable.

The experience of the formative years of the Soviet Union demonstrated that the communist ideology was correct in two ways. First, the West would be hostile and try to destroy the state. Second, centralization of power and terror could extract enough resources to deal with all enemies. Under Stalin, the USSR began a program of rapid economic development driven by industrialization and forced collectivization. In an important sense, the militarization of the Soviets resulted from

their well-founded fear of encirclement. The Soviets spent the intrawar years busily modernizing and building a formidable military.

2 The Second World War

In 1931, the Japanese invaded Manchuria, occupied it, and began its ruthless exploitation. Stalin asked the US for help in stopping them. FDR did not respond. In 1933, Japan created the fictional state of Manchukuo (and quit the League of Nations) and still the US did nothing. In fact, it assured Japan that the 1933 American recognition of the USSR would not be a threat to Japan. In 1934 and again in 1937 Stalin requested joint policies against Nazi Germany and Japan. He was rebuffed. In 1938 he offered to help the West defend the Czechs. Poland refused passage to the Red Army, and Britain and France agreed to the dismemberment of Czechoslovakia at Munich. The next year Hitler took the remaining parts. (It is worth noting that Stalin's motives were not exactly pure: the Russians have a long history of going into Poland and then never quite leaving. It is also a (little known) fact that Poland and Hungary both participated in the dismemberment of Czechoslovakia: Poland took Cieszyn Silesia and Hungary took southern Slovakia.) In 1939, the exasperated Stalin declared that the West was pushing Hitler eastward into a war with the Soviet Union and, after several unsuccessful attempts to conclude alliances with Britain and France, he stunned the world by signing a non-aggression pact with Hitler in August. In the Molotov-Ribbentrop Pact, the two dictators who ruled their countries with hostile ideologies, agreed to divide Poland and the Balkans between themselves. Both understood it was a temporary truce, a prelude for war that was inevitable. The question was: who would strike first? Would the USSR have enough time to prepare? On September 1, Germany invaded Poland. Several days later, the Red Army swept in from the East and met the Germans at the agreed to line. On the 3rd, France and Britain declared war on Germany. World War II was underway.

A little-known episode occurred in the far East that same year: a war between the USSR and Japan at Khalkhin Gol. It was a brief and bloody affair that cost the Japanese about 40,000 casualties (and less than half that number for the Russians) and ended with the complete victory of the Red Army. The brilliant Russian commander—General Zhukov—would soon become the most important military leader in the USSR and would see the country to its victory in Berlin. This war, in which the Russians employed true *blitzkrieg* for the first time, stopped Japanese expansion westward and redirected it toward the Pacific, where it would eventually clash with American interests. In a very important way, Pearl Harbor was a direct consequences of the Japanese defeat at Khalkhin Gol: Japan signed a non-aggression pact with the USSR and honored it throughout the war, even when the Soviet frontiers in the east were denuded of troops which were transported and

thrown against the formidable German war machine in the west. This pact would remain in force until Stalin would repudiate it in 1945.

But Khalkhin Gol was not the only war the USSR fought in 1939. U.S.-Soviet relations hit rock bottom in the winter of 1939-1940 when the Soviets invaded Finland, which had rejected their request for strategic bases and access to the sea. At first, the Red Army's performance was abysmal—the small Finnish Army managed to stop its advance and inflict enormous casualties. However, in the first months of 1940, the Russians reorganized the army and defeated the Finns in less than two weeks, ending the Winter War with conclusive, although unexpectedly costly, Soviet victory. Surprisingly, Stalin did not annex Finland but was content with satisfying his prewar demands, limiting his acquisitions to strategic bases and demanding a pro-Russian foreign policy. The big bonus of the Winter War for the Russians was in the Baltics: the three countries, cowed by Finland's defeat, now accepted Russian domination that would lead to their incorporation into the USSR. Finland itself sat tight and then joined Hitler when Germany invaded the Soviet Union on June 22, 1941.

There was a debate at the State Department whether to help the Russians when Hitler invaded the USSR. They concluded that even though "communist dictatorship" was as intolerable as "Nazi dictatorship," Hitler posed the greater threat. Thus, the countries that had nearly become full-fledged enemies between 1939 and 1941 suddenly found themselves unlikely partners against a common foe. However, there would be some time before the U.S. would join in active hostilities.

In 1939, the U.S. was still feeling secure, and anti-war sentiment ran high, especially in Congress. Nothing that was happening in Europe was a threat. Britain and France stood against the Nazis, Japan against Communist Russia. South-eastern Asia was ruled by colonial powers (France in Indochina, Britain in India, the Netherlands in Indonesia, and the US in the Philippines). The only threat in the Pacific would be Japan itself, which was determined to end the white man's presence in Asia. But Japan was tied by its war with China which had started in 1937.

Thus, the U.S. saw no pressing need to get involved in the world. Isolationists had the upper hand. The Nye Committee, conducting a Senate investigation, had "proved" that Wall Street had dragged the U.S. into the First World War, and thus even this involvement, though successful, had been a mistake. FDR himself was more interested in domestic recovery from the Great Depression than overseas adventures. In 1939, the US had an army of 185,000 and a budget of \$500 million, a pitiful amount by Great Power standards. Even if she wanted to, America could not do much militarily. And she did not want to.

In Europe, dark clouds gathered quickly. After successfully re-militarizing the Rhineland and rebuilding a vast German military in defiance of the treaty of Versailles, Hitler annexed Austria in 1938 (March). He immediately pressed on for the Sudetenland (then part of Czechoslovakia). Britain and France sold out the Czechs

at Munich and in March 1939 Hitler's troops overran the remnants of that country, the last democracy in Central Europe. Then came the Nazi-Soviet Pact, and finally World War broke out in Europe in September 1939.

The U.S. was divided about its response. Isolations did not want to help the democracies because they feared this would suck them into the war. The others wanted to abandon neutrality and give military aid to Britain and France. FDR took a middle ground when he first promised to keep the U.S. out of the war and then asked Congress to repeal the arms embargo in favor of a cash-and-carry system. In November, FDR offered arms to Britain and France as long as they could pay for them and could transport them to Europe. It was not much, but it did align the U.S. with the Western democracies. As a policy, it was risky because the U.S. was not helping as much as it should have to ensure victory yet it was definitely antagonizing the Germans. In 1940, following the stunning German spring offensive which netted the Reich the Low Countries (Belgium, the Netherlands, and Luxembourg), Denmark and France, FDR asked Congress for more money so he could raise the number of troops to 255,000. This time, after hearing Army Chief of Staff Marshall's desperate appeals, Congress authorized an increase up to 375,000, still not a whole lot.

On May 15, Churchill, who had by then replaced Chamberlain as Prime Minister of Britain, urgently requested 40-50 American destroyers. Britain was losing the Battle for the Atlantic and desperately needed ships to protect their supply lines. FDR didn't do a thing. Then, on June 14, the French premier Paul Reynaud appealed for help and asked FDR to urgently send troops to prevent the collapse of the Republic. FDR refused. Within a week France fell and on June 25, it signed an armistice with Hitler which left half the country to the Germans and installed a pro-German fascist government to rule the remaining part.

Britain stood alone against the triumphant Germans. On July 21, Churchill pleaded for destroyers. Britain could not sustain the losses of merchant shipping due to the depredations of German U-boats in the Atlantic. As Germany prepared for Operation Sea Lion, an invasion of the British Isles appeared imminent. Very reluctantly, FDR allowed private groups to work out a destroyer-for-bases deal with Britain whereby the US gave it 50 overage ships in return for rent-free bases on British possessions from Bermuda to British Guiana (Sept. 2, 1940).

Recall that the summer of 1940 brought another ominous development: Japan concluded a non-aggression pact with the USSR and turned her expansionist tendencies to the South. This directly threatened US interests in the Pacific. Still, as late as October 30, 1940, FDR promised in his campaign speech in Boston: "And while I am talking to you mothers and fathers, I give you one more assurance. I have said this before, but I shall say it again, and again, and again: Your boys are not going to be sent into any foreign wars." He won the election in November.

Soon, however, Britain could no longer pay for the help. The nation was running out of money and Churchill warned that cash and carry would not work. On

December 7, 1940, FDR announced the lend-lease deal, which would lend or lease to England the supplies she needed. The isolations cried foul—this was clearly a hostile act that placed the U.S. squarely on the British side. The administration was able to overcome opposition and in March 1941 Congress approved the lend-lease bill for \$7 billion. Secretary Simon called it correctly “a declaration of economic war.” As Germany began its war in the USSR, it also intensified its efforts in the Atlantic. By September the US was waging a full-scale undeclared naval war there. By November, FDR’s tone had gone from cautious support for Britain to one of unrestrained belligerency directed both at Germany and Japan.

Japan made one last-ditch effort to negotiate its way out of war. It was in vain: the U.S. had imposed a strict economic blockade that was strangling the nation and had frozen Japanese assets in the U.S.; Japan could not buy oil, steel, and any raw materials that were vital for the survival of its empire. The Japanese realized that either they had to give up, pull out of China and Indochina, and suffer a terrible loss of face (and perhaps return to second-rate power status) or find a way to deal with the U.S. However, FDR would not budge. The last diplomatic mission to the U.S. had failed to find solutions.

On December 7 1941, Japan attacked Pearl Harbor in an attempt to destroy the American Pacific Fleet, thereby buying itself enough time to complete its conquests in South Asia, and then ask for armistice before the full weight of the U.S. was brought into the war to the certain defeat of Japan. The Japanese were under no illusions what would happen if the U.S. mobilized for full-scale war: there would be no hope of victory against the full might of the vast American economy, the only chance was to secure a negotiated settlement. This was a grave miscalculation for, unlike the Russians in 1905, the Americans were facing the enemy unified domestically and with an economic sector on the path to full recovery from the Depression. At last the U.S. was at war (December 8). The problem was it was not the war FDR wanted, the one in Europe. The U.S. still could not move against Hitler. Then, suddenly, in what has to be the stupidest decision ever made, Hitler declared war on the U.S. on December 11, solving FDR’s problems once and for all. For the next 3 years, over 60% of US war effort would go to the European theater.

The Big Three (U.S., Britain, and USSR) worked throughout the war together to defeat Germany despite mutual distrust. The situation in Europe was critical. Operation Barbarossa, in which 4.5 million Axis troops with over 4,000 tanks attacked on a 1,800 mile front (the distance from San Diego to St Louis), had taken the Germans within 20 miles of Moscow. Over 2.5 million Russian soldiers were killed or taken prisoner (out of a pre-war army of a little over 3.2 million). Almost the entire air force, the largest in the world, had been destroyed in the first days of the war, most of it while sitting on the air fields. In a single battle, the Red Army lost several thousand tanks, almost as many as Germany had in total. Over 80% of Russian industry was destroyed. Many major cities were captured. Yet the Soviet Union,

incredibly, held. The U.S. could do no more than send supplies. The trickle of early 1942 slowly increased to dramatic proportions but whatever the doubtless important impact of these supplies was, the simple truth is that in the critical months of 1941 and 1942, the Soviet Union alone bore the full wrath of 200 German divisions, over 80% of Germany's military strength. And it held.

The U.S. was not exactly hurrying. First, the American people were difficult to convince of the wisdom of the European conflict. Most Americans wanted to fight the Japanese because it was Japan that had attacked them, not Germany. Even when the U.S. moved, it was not to open the second front in the West to relieve the Russians (which is what Stalin wanted and repeatedly asked for). Instead, at Churchill's instigation, the U.S. launched operation TORCH (November 8-42) with an invasion of French North Africa, a relatively unimportant peripheral theater. In 1942-43 the Western allies advanced very slowly in the Mediterranean, doing nothing to threaten Germany from the West. The Russians were understandably livid.

In January 1942 at the Casablanca Conference FDR announced the demand for unconditional surrender by Germany and Japan. In September, the Western Allies finally landed in Italy, which sought to surrender almost immediately (and not unconditionally). Finally, in January 1944 preparations for operation Overlord, the huge cross-channel amphibious invasion, began. By that time, however, the Russians had the upper hand in the East, profoundly changing the relative strength of their bargaining position.

3 The Aftermath of the War

It was during this period (1944) that problems began to rouse suspicions among the allies. The long stalling of the opening of a second front eventually put it off for too long. Initially, the German Wehrmacht had nearly pulverized the Red Army, but by 1944 the Russians had begun driving off the Nazis by themselves, at tremendous cost. Even in 1943, Stalin was already thinking about the post-war world when he asked Roosevelt and Churchill to agree that postwar Russia would include the Baltic states (Latvia, Lithuania, and Estonia) as well as parts of Poland, Finland, and Rumania (that is, the areas that had belonged to the Russian Empire, and which Stalin had repossessed with the Nazi-Soviet Pact). FDR refused, hoping to delay resolution of these questions until after the war was over.

This was a mistake for in 1945 the liberating (or conquering, depending on perspective) Red Army stood astride much of Central and most of Eastern Europe. Stalin no longer needed to beg for the second front to help his armies, nor did he need American supplies as desperately as he had while the fighting was going on. He could negotiate from a position of strength, and he was not late in asserting his rights of conquest. In 1945 Stalin declared that "whoever occupies a territory, also imposes on it his social system" to which Churchill agreed. When the Americans

balked, Stalin concluded that the situation was reverting to the hostile standoff of the 1920s. Having made use of the USSR to rid Europe of Hitler, the Western powers seemed bent on hemming it back in, preferably all the way into Asia.

This was a dangerous policy because it seemed to deny the basic Soviet right to live in security, the right the Russians had won at staggering costs: over 20 million people lost in the war, thousands of cities destroyed, and an economy in ruins. The country needed security to rebuild itself. In November 1945, a US intelligence report concluded that the USSR would be incapable of mounting a major war for the next 15 years, noting both military weaknesses and time required for recovery.

It was against this backdrop that Stalin had to interpret American behavior. He had a shattered state with a strong army. Men were needed to rebuild the economy, not guard the borders. Money was desperately scarce, and the Russians hoped to extract resources from the European countries they had “liberated,” a time-honored practice after most wars. Stalin had two basic goals in mind: control of Eastern Europe (i) for security purposes, and (ii) as a source that could be exploited economically.

The end of the Second World War revived Russian fears of encirclement. This time, however, they could do something about it. And they did. With the creation of puppet communist states, the Soviet Union created the same cordon sanitaire that the West had against it, but this time it was to offer protection from the capitalist states.

4 Soviet Security Interests

As the Russian Tsars before him, Stalin realized very well the strategic vulnerabilities of Russia. Twice in the 20th century had foreign enemies entered Soviet soil from the West. Stalin was determined to prevent this from happening. He resolved to do this by creating a cordon of friendly states around the USSR that would serve as a buffer against encroachments from the West. FDR, who consistently refused to become anti-Stalinist, recognized these concerns and found them well founded. He, however, failed to realize the simple fact that there was no way to ensure that these states be both friendly to the USSR and non-communist.

Any non-communist government of Poland, Czechoslovakia, Hungary, Rumania, and Bulgaria would naturally turn to the West, as they had done in the past for fear that their great eastern neighbor would bully and exploit them. Stalin knew this perfectly well. Therefore, he concluded that if these states were to be friendly, they had to be communist. In 1944 Stalin, who recognized British interests in Greece and Belgium and US interests in the Pacific and did not interfere there, made his remark about imposing one’s own social system on occupied territories, a principle that was obvious to Churchill but to which the Americans did not subscribe. In October 1944 Churchill flew to Moscow and made a deal with Stalin whereby he promised

to recognize Soviet dominion in Rumania and Bulgaria in return for British control of Greece. FDR was furious but worse was to come.

In February 1945, the Big Three met at Yalta to discuss the shape of the post-war world. The debate over Poland exposed the divergence among the Allies. The Russians, who by now occupied Poland, had recognized a communist-dominated regime already. Poland was strategically important for USSR (all invasions in last two centuries had occurred from there) and so naturally Stalin wanted a protective cordon of friendly regimes; he did not accept FDR's idea that he could have non-communist but still friendly regimes (part of Soviet doctrine was the hostility of others); especially in Poland, because of long history, any non-communist government would necessarily be anti-Soviet:

“For the Russian people, the question of Poland is not only a question of honor but a question of security. Throughout history, Poland has been the corridor through which the enemy has passed into Russia. Twice in the last thirty years our enemies, the Germans, have passed through this corridor... Poland is not only a question of honor but of life and death for the Soviet Union.” Stalin (at Yalta).

When Britain and U.S. demanded that pro-Western Poles be included in the government, the Soviets watered down the agreement so that it could be interpreted in any way they wished. Since the Red Army was in Poland, the other two had to agree.

Two weeks after the Conference, the Russians began pressing the Rumanian king to appoint a communist government (Rumania, like Finland, Bulgaria, and Hungary, had fought on the side of the Nazis). The U.S. protested in vain. On April 1, FDR warned Stalin that the U.S. would not accept Stalin's imposition of totalitarianism in Poland. Within a week, however, FDR was dead, and the new president Truman was very different in his approach.

Despite strong advice from experienced diplomats (e.g., Secretary of War Stimson, who had interacted with Soviet leaders and who understood well that it was the security concerns rather than communist ideology that drove Soviet demands), Truman accepted the advice of Harriman and Secretary of the Navy James Forrestal who wanted to take a hard line against Stalin. The two factions split over the Polish issue. One insisted on forcing Stalin to allow free elections (with their certain anti-communist and therefore anti-Russian outcome). The other side argued that it was stupid to split with the Russians over a minor issue like Poland and at any rate Stalin would never permit an anti-Soviet Poland regardless of US posturing. They argued that it was unwise to quarrel over a minor problem (compared to a US-Russian confrontation), especially when the US could not hope to force a favorable outcome anyway (because the incredibly strong and victorious Red Army occupied Poland and could not be pushed out).

Truman agreed with the Hawks' position. Molotov (Soviet Foreign Minister) was then subjected to a rather rude treatment when Truman berated him (as "a Missouri mule driver") for the supposed Soviet breach of the Yalta agreement. The Russians were puzzled: they had not objected to pro-Western governments in Greece and Belgium because Stalin had accepted that these states were strategically important for Britain.

Stalin rejected Truman's claims on the basis of the same agreement by noting, correctly, that Poland bordered neither Britain nor the U.S. but it did border the Soviet Union and thus presented a security risk that the two Western allies did not fully appreciate (or at least pretended not to). He, also correctly, pointed out the hypocrisy of the demands—after all, the Soviet Union did not interfere with the Anglo-American disposition of territories in their sphere of influence (e.g., Belgium and Greece). In June Truman had to accept a compromise whereby Stalin allowed a couple of pro-Western Poles in the government. Stimson was right—the US could not force Stalin to do more. The Americans hoped that these Poles would help in opening the country to U.S. investment. Stimson was right about this as well—because of their perception of American unreasonableness, the Russians stiffened their position and the forced the Poles to refuse to open their doors to the dollar.

The U.S. offered Stalin a deal: the West would recognize the new Polish-German boundary (USSR had compensated Poland in the West for territories annexed in the East). Germany would be divided in two: the eastern, primarily agricultural part, would go to the Soviet Union, and the Western would be divided among US, Britain, and France. The USSR could take as much reparations as reasonably possible from its part but only 25% of the total reparations could come from the zone occupied by the Western powers. Although this was not what he wanted (dismemberment of Germany, with what FDR had in principle agreed), Stalin, who cared more about the reparations anyway, accepted the deal.

5 American Interests in Europe

For their part, the Americans believed that the world could not be allowed to return to the situation of the 1930s where various countries tried to escape depression by erecting high tariff walls and creating regional trading blocs which impeded the free flow of trade and further worsened the situation. What's more, there was genuine fear that the only way to deal with prolonged serious unemployment was through massive government intervention in the economy, which sooner or later would lead to regulations of personal choice and limitations of fundamental freedoms.

The U.S. absolutely needed an open world market if it was to survive as a capitalist democracy after the war. In 1944 at Bretton Woods, NJ, the US moved to ensure that the postwar world would be friendly. It created the IMF (a lender of last resort that would lend countries money in an emergency to prevent the collapse

of its currency, providing financial stability), the World Bank (IBRD, which would guarantee private loans for the reconstruction of Europe and will invest in development projects in less industrialized nations). A world trade organization did not materialize (we now have it in the WTO) but the General Agreement on Tariffs and Trade (GATT) was set up to prevent exclusions, preferential treatment and help the free flow of goods. Voting in the IMF and the World Bank depended on the money contributed. Because the US contributed most, it controlled both. The British and the French, their countries ravaged by the war, had no choice but to agree to these arrangements if they wanted American help with recovery. The US had thus freed itself to deal with Stalin.

With good reasons, the Americans believed that a modern capitalist democracy could only survive and prosper if it had unfettered access to foreign markets. Only a truly global system would protect the world from the Depression that brought the authoritarian regimes to power. At the most basic level, the conflict was inevitable because of the Soviet desire to protect itself from a strong capitalist West.

With less convincing reasons, the Americans also concluded that the Soviet Union was a state as expansionist in practice as its ideology made it in theory. The roping off of Eastern Europe was a direct threat to global openness, and was seen as the beginning of a hostile policy designed to challenge the American system for world hegemony and eventually destroy the American way of life, the very thing this country fought in two wars to preserve.

6 Summary

The roots of the post-WWII confrontation lay in the way both countries interpreted each other's behavior. Neither was certain about the preferences of its opponent, and each attempted to infer them both from previous behavior and open political statements by the leaders.

The Soviet Union's formative years had demonstrated that the West would be uniformly hostile to communism and would try to destroy it the moment it took root anywhere. The West had not only attacked the young state but helped create a cordon of hostile powers around it. The basic security of the USSR required a buffer zone especially in the flat regions north of the Black Sea, where enemies could (and did) invade with impunity.

Hence, to protect itself from future such invasions, the USSR demanded the establishment of a circle of states governed by pro-Moscow leaders. When it quickly became obvious that such leaders could not be non-communist, the Russians moved to ensure that the communists took power in these states. With the Red Army triumphant, they could do this in all territories they occupied.

As we shall see next time, the American study of communism concluded that the ideology advocated relentless expansion with the goal of conquering the entire

world (it did, but not quite in the manner most envisioned). The taking over of Eastern European states by such not quite subtle means simply served to convince everyone in the correctness of this assessment. Furthermore, isolation of these states behind the **iron curtain** was unacceptable because it challenged the fundamental goal of globalization—access to markets—which was held to be the only way to ensure that no economic disaster comparable to the Great Depression would occur again.

In the end the Russians felt compelled to assert their demands through the use of force (and threats to use force), a tactic that alienated them from the West completely and strengthened the conviction that they would stop at nothing, including callous destructive means, to achieve their goals. (The Berlin Crisis of 1948-49 had such dramatic repercussions.)

Of course, the major problem here was due to serious informational asymmetries. The Americans had no way of knowing whether the Soviets were honest about their fears. After all, here was a military giant squirming at the prospect of a pro-Western government in little Bulgaria. Further, such talk was cheap: an aggressive expansionist USSR would also use the security pretext (loved by many politicians regardless of creed, race, or color) for its territorial grasp. The USSR was unable to reveal its preferences because there was no way to design a signal that would be credible.

What is even worse, when the Soviets reacted to their own fears that nobody believed they had, their behavior fit precisely with the rapacious images the West had of them, making reconciliation even less likely. But the tough policies that inevitably followed cemented the very image of Western encirclement that made the Soviets fearful in the first place. This basic element of mutual distrust and alarm would be an ever-present feature of the Cold War.

Why did the Americans choose not to believe Soviet statements about their security concerns? Why were the Soviets unable to signal credibly their preferences. Next time, we shall study the sources of American beliefs about Soviet preferences, and their major conclusions about what strategy to follow.

NOTES

- two competing visions for security of future, mostly determined by the historical experience of the two countries, the Russians repeatedly invaded, the Americans never since 1812 (in this US remarkably similar to Britain while USSR more like land-powers like France, Germany): USSR's traditional, military, based on protective buffer of friendly states, and US's new, economic, based on a commonwealth supported by an international system that would stabilize economic relations; neither particularly ideological, actually, despite window-dressing
- no evidence that either party wanted to dominate the other at all costs; in our terms, no evidence that they were war-loving; in fact, opposite seems true:

they would fight only if absolutely critical interests directly threatened; and yet, both would rather have the other give in, meaning preferences resemble our basic setup: Victory beats SQ beats War beats Capitulation, so both tough although uncertainty that maybe if threatened with War over peripheral issue, the other side would give in (so maybe Cap beats War); thus, we have the basic setup from our models!