Twenty-one years (1918–1939) separated the two world wars, providing their combatants with time to recover from their losses, restore some semblance of domestic order, redefine their national interests, and prepare for future challenges. But that was not true after World War II. Even before the conflict was over, both the Soviet Union and the Western Allies were posturing for spheres of influence in central Europe. And it was only six months after the Japanese surrender that Winston Churchill gloomily proclaimed that an “iron curtain” had descended across central Europe, defining the battle lines of the next global confrontation. If there was an “interwar” period in this case, it was hardly perceptible. Fortunately for the United States, the late 1940s were among the most imaginative years in U.S. diplomatic history. With the guidance of an unusually cohesive team of advisers, President Harry Truman transformed the nation’s foreign policy so the United States could compete indefinitely as a political, economic, and military superpower. The “wise men” of the Truman administration established the basis of the Western strategy that ultimately prevailed in the Cold War.¹

The global scope of the challenge guaranteed that putting containment into practice would be a monumental task. The obstacles were especially great because of the traditional American penchant for withdrawal and isolation from great-power politics in peacetime. Further hampering the United States was the lack of an institutional basis for dealing with a worldwide threat that was not likely to disappear or be defeated militarily within a few years. The U.S. government had maintained a sizable diplomatic corps only since the end of World War I, and Americans had long viewed a standing army with apprehension. But as this chapter describes, America’s leaders overcame these obstacles and created a web of national security structures and multilateral organizations that resisted the Soviet Union from all sides.

These arrangements extended beyond the struggle against communism. The central role of the United States in creating and managing the post-war order gave American leaders added leverage with their European allies, along with developing countries from East Asia to Africa and Latin America. Further, the “constitutional” order designed by the United States, which favored international law and political freedoms in participating states, served as a means to advance American values while benefiting the peoples of weaker countries through foreign aid, military protection, and other forms of support. The enduring value of this order would be evident decades later, because the network of domestic and global institutions established in the late 1940s remained intact long after the Cold War. But for those in power at the time, the immediate concern was resisting the threat posed by Moscow.

In its first step, the Truman administration sought to revive its war-ravaged allies in Western Europe, which, from Washington’s point of view, urgently needed to form a united front against Moscow. Such a task would be impossible, however, if the historic internal rivalries among the European states were allowed to persist. The United States thus encouraged close cooperation among the European governments in rebuilding their economies, settling their political disputes, and protecting the region.

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from external aggression. Such cooperation would be supported not only rhetorically but also financially by the United States, which covered much of the costs of Western Europe’s recovery.

But the United States would not stop with Europe. To contain communism, it also would have to become actively engaged elsewhere. In the late 1940s and early 1950s, the Asian perimeter of the Soviet Union and China became the second target of U.S. containment. In contrast to Western Europe, many Asian states had only recently emerged from colonialism, and their nationalistic and anti-Western feelings were strong. The coming to power of a communist Chinese government in 1949 particularly weakened the U.S. position in Asia. The United States then confronted two militarily powerful communist states, one (the Soviet Union) covering the world’s largest land-mass, the other (China) governing the world’s largest population. As George Kennan warned, the Cold War would be vast in scope and long in duration (see Chapter 2).

**New Economic and Military Structures**

Unlike the situation confronting other great powers, U.S. military strength was greater *after* World War II than before. The United States maintained undiminished industrial capacity, a monopoly on nuclear weapons, and a global deployment of troops. The U.S. economy had been strengthened by the war, especially when compared with the battered industrial economies of Europe and East Asia. Americans produced one-quarter of global output even after the recovery of its economic competitors, giving it unprecedented wealth to match its military muscle (see Figure 3-1).

The foreign policy of a great power requires more than a widely accepted grand strategy, no matter how widely supported that strategy is. Foreign policymakers also must pay attention to the brick and mortar of the political institutions, both domestic and international, that will carry out the strategy. In addition to leading the effort to create the United Nations, which came into being just three months after World War II, American officials focused on two areas. First, they created an international economic system to support commerce among the capitalist states. Second, they rebuilt the country’s military structures and created an elaborate web of alliances. Taken together, these reforms established the institutional blue-print that remained in place throughout the Cold War and has endured in its aftermath.
Western governments agreed during World War II that a new system was needed to manage global economic relations. They recognized that trade restrictions, subsidies for national industries, and other forms of mercantilism had contributed to the Great Depression of the 1930s, which, in turn, had aroused nationalist passions and led to the birth of Nazi Germany. It was widely believed that a liberal international economic order, based on open markets and leading to the recuperation of the European industrial states, could prevent a recurrence of this calamity. The market-based economic order also would reduce the appeal of communism by creating prosperous capitalist societies. But this latter goal was secondary. Since the

An influential argument at the time was made by theorist Nicholas Spykman in America’s Strategy in the World (New York: Harcourt, Brace, 1942).
nation's founding, America's leaders had agreed that the country's economic prosperity, and global stability in general, depended on an integrated global economy that encouraged trade and investments across national borders.

Although they often breached their own commitment to free trade, these leaders clung to the notion that the “invisible hand” of open markets would lead the way to global prosperity. Along with European leaders, they devised a plan for international economic, fiscal, and monetary cooperation to be underwritten by the vast economic resources of the United States. In 1944, representatives of forty-four countries met at Bretton Woods, New Hampshire, to approve this plan, which already had been devised by American and British officials. The Bretton Woods system played a critical role in hastening the recovery of the industrialized states. Along the way, the new system strengthened the market economies against their communist rivals.

The Bretton Woods accords created two institutions to promote economic growth among the market economies. The first, the International Bank for Reconstruction and Development (IBRD), or World Bank, would lend the funds member states needed to rebuild their industries. The United States provided much of the World Bank's funding in the institution's early days, which the bank then lent to member states on generous terms. European governments were the first to receive support from the World Bank, which later shifted its aid programs to developing countries that were becoming free of colonial rule. The second, the International Monetary Fund (IMF), would govern currency exchanges and provide credits for member states facing short-term currency crises. Members were prevented from simply printing more money to cover their deficits, a practice that had led to rampant inflation and the collapse of central banks in many countries during the 1930s.

The major economic powers tried, but failed, to create a third institution that would govern international trade. The International Trade Organization (ITO), proposed in the 1948 Havana Charter, called for sweeping controls over global commerce, including foreign investment, employment policies, and prices for commodities. But several governments, including the United States, felt the ITO would violate their economic sovereignty as well as the principles of free enterprise. Instead, the United States joined twenty-two

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5 For a comprehensive historical review, see Harold James, International Monetary Cooperation since Bretton Woods (New York: Oxford University Press, 1996).
other countries in approving the General Agreement on Tariffs and Trade (GATT), which established rules for “nondiscrimination” in world markets. Subsequent GATT negotiations would further restrict the ability of states to violate the rules of free trade. These GATT “rounds” ultimately led to the creation of the World Trade Organization in 1995.

The Bretton Woods system laid the foundation for a more integrated world economy. The stability of the market economies was maintained by a system of fixed currency exchange rates based on the U.S. dollar, which was based, in turn, on the value of U.S. gold reserves at $35 an ounce. The dollar thus became a world currency that provided reassurance to financial markets and a simple framework for trade and foreign investment. Once they had benefited from the Bretton Woods reforms, the Marshall Plan (described later in this chapter), and other assistance programs from Washington, U.S. allies in Western Europe and Japan were able to rebound quickly from World War II and enjoy unprecedented economic growth. Meanwhile, the Soviet Union continued to isolate itself, along with its client states in Eastern Europe, from the market-based global economy, a move that had ominous implications for the outcome of the Cold War.

The National Security Act

As the Cold War set in, Truman received strong congressional support to reshape the nation’s military structures so they would be able to meet the demands of containing communism. Under the National Security Act of 1947, the formerly separate Departments of the Army and Navy were brought together in the new Department of Defense (DOD), a successor to the Department of War. Now the United States would have a permanent military establishment based on the general principle of national defense rather than war fighting. As part of the reorganization, the air force, a third branch of the military formerly controlled by the army, became an independent service. It soon overshadowed the two older services because its principal task was to organize the growing U.S. nuclear arsenal.

The National Security Act also created the Central Intelligence Agency (CIA), an offspring of the Office of Strategic Services (OSS), which had gathered foreign intelligence and conducted spy operations during World War II. The OSS, widely considered a “rogue” operation that undertook

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6 The United States held about 75 percent of the world’s gold reserves at the time, amounting to about $25 billion.
secret missions around the world with little oversight, was disbanded immediately after the war. A larger intelligence operation than the OSS, the CIA quickly became an essential, albeit controversial, part of America's containment effort. The agency was essential because it collected and analyzed information that became the basis of American foreign policy. It was controversial because, in the tradition of the OSS, CIA officers often carried out secret operations overseas and sought to subvert governments believed hostile to the United States.

Finally, the act established the National Security Council (NSC) to help the president coordinate foreign policy. Located in the White House, the NSC was composed of the president (its chair), the vice president, and the secretaries of state and defense. The head of the Joint Chiefs of Staff and the CIA director also often attended NSC meetings, along with other government officials whose advice the president sought. A small NSC staff was created to provide information to these leaders, and the national security adviser, a new position, was to serve as a “gatekeeper” and close confidant of the president. Through the NSC, the president gained greater control over U.S. foreign policy, in part by reining in departments such as State and Defense, whose leaders were widely suspected of being captives to their respective bureaucracies. And, no less important, the NSC became the primary crisis management agency for the president, a function that took on increasing urgency in the nuclear age.7

The concentration of foreign policy powers within the executive branch and the creation of a large, permanent military force ran counter to the nation’s traditional style of foreign policy. As noted earlier, the Founders had deliberately constrained presidential powers and avoided standing armies in order to prevent the United States from behaving recklessly in foreign affairs. Thomas Jefferson and other early leaders further feared the creation of a “garrison state” and a “warrior class” that could someday threaten individual liberties.8 Despite the recurrence of these fears during the Cold War, the president's growing control over national security was widely accepted as the price of world power.


Reviving the Western European Allies

Europe's collapse after World War II raised anew a fundamental question that had bedeviled U.S. leaders since the nation's founding: was European stability vital to U.S. security? America's interventions in the two world wars suggested the answer was obvious. But both times the United States had been drawn into the conflicts only after prolonged periods of hesitation and by threats of German domination of the continent. At the end of each conflict, the United States had tried to detach itself politically from Europe, the almost pathological instinct of Americans dating back more than two centuries. After World War II, however, the United States was forced, for the first time, to establish an ongoing, multifaceted relationship with Western Europe, because, in the precarious postwar order, America alone had the resources to take the initiative.

Europe's vital importance became especially clear in the emerging bipolar world. The region ranked second only to the United States in its collective economic power—in industry, productivity, skilled workers, scientists, and engineers. Moreover, trading networks and cultural ties between the United States and Western Europe were long-standing and strong. And, not least, Western Europe represented a "buffer zone" between the two superpowers, and thus it occupied a crucial strategic position in the emerging Cold War. Because of Western Europe's enormous potential and its geographic position, its stability was inseparable from U.S. security.

The devastation of World War II in Europe, however, left the continent highly unstable. The war had penetrated its heartland, and few cities or towns had escaped Allied bombing, street fighting, or willful destruction by the Nazis as they retreated. Millions of people had no food or shelter. By January 1947, production had fallen to 31 percent of the 1936 level. These difficult conditions forced American officials to respond immediately. It was obvious they could not limit their actions to a single area such as economic development, military defense, or political reform. Their response must be comprehensive and dedicated to preserving Western Europe as the front line of Cold War defense.

The Marshall Plan

With Western Europe on the verge of not only economic ruin but also political and social upheaval, the region's weary governments were forced into dependence on the United States. Most of the items needed for
reconstruction and economic vitality—wheat, cotton, sulfur, sugar, machinery, trucks, and coal—could be obtained in sufficient quantities only from American suppliers. But short of food and fuel, with its cities and factories destroyed, Europe could not earn the dollars to pay for these products. Moreover, the United States was so well supplied with everything that it did not have to buy much from abroad. The result was a dollar gap, a term that denoted Europe's dependence on the United States for recovery.

Because the United States could not permit the Soviet Union to extend its influence into Western Europe, U.S. policymakers had to find a way to help the region recover. Secretary of State George Marshall called on the European states to devise a plan for their common needs and common recovery. The United States would furnish the funds through the European Recovery Program (later known as the Marshall Plan), but the Europeans had to assume the initiative and do the planning. The result was the Organisation for European Economic Co-operation (OEEC), which estimated the cost of Europe’s recovery over a four-year period to be $33 billion. Truman asked Congress for $17 billion, but lawmakers cut the sum to $13 billion. The amount actually spent between 1948 and the end of 1951, when the program ended, was just over $12 billion. Britain, France, and West Germany received more than half of this amount.

The original offer by the United States was deliberately extended to all European countries, including the Soviet Union and the nations of Eastern Europe. If the United States had invited only the nations of Western Europe, it would have been blamed for the division of Europe and the intensification of the Cold War. It had to be the Soviets who, by their rejection of Marshall Plan aid, would be responsible for the division of Europe. If the Soviets agreed to participate, however, Congress probably would not have supported the Marshall Plan, as its cost would have risen astronomically because of the heavy damage suffered by the Soviet Union during the war. Fortunately, Joseph Stalin failed to call the Americans’ bluff. He refused the offer of assistance and ordered his clients in Eastern Europe to do likewise.9

Was the Marshall Plan a success? The results tell their own story. By 1950, Europe already was exceeding its prewar production by 25 percent; two years later, this figure was 200 percent higher. British exports were doing well, French inflation was slowing, and German production had reached its 1936 peak. The dollar gap had been reduced from $12 billion

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9 In place of the Marshall Plan, the Soviet Union created the Council for Mutual Economic Assistance (CMEA) to provide economic assistance to the Eastern European governments. The actual aid extended by Moscow, however, was modest compared with that of the Marshall Plan.
to $2 billion. Europe’s cities were being rebuilt, and its factories were busy, its stores restocked, and its farmers productive. The Marshall Plan was a huge success, and at a cost that represented only a tiny fraction of the U.S. national income over the same four-year period. The Europeans themselves, of course, were primarily responsible for their achievements, but such a rapid turnaround would not have been possible without the Marshall Plan, which Winston Churchill called “the most unsordid act in history.”

Roots of the European Union

In making American aid to Western Europe conditional on economic cooperation among the European states, the United States clearly was holding itself up as a model. The Economic Cooperation Act of 1948 called specifically for the creation of an integrated European market—in much the same way that the then forty-eight American states were organized economically. America, it stated, was “mindful of the advantage which the United States has enjoyed through the existence of a large-scale domestic market with no internal trade barriers and [believed] that similar advantages can accrue to the countries of Europe.” The official American opinion was that economic integration was essential for Europe’s recovery and long-range prosperity.

Renewed fears of Germany’s rising strength further stimulated efforts toward European integration. The specter of a fully revived Germany struck fear into most of its neighbors. The French, with their memories of the Franco-Prussian War (1870–1871) and both world wars, were particularly alarmed by the prospect. Germany’s recovery, stimulated by America’s response to the Cold War, posed a serious problem for Germany’s partners: how could they hold Germany in check when it was potentially the strongest nation in Europe outside of the Soviet Union?

Aware of the failure of the traditional balance-of-power strategy in which a weaker power seeks to balance against a stronger one, France sought a new way to exert some control over Germany’s growing power. Through the creation of a supranational community to which Germany and other European states would transfer certain sovereign rights, German power could be controlled. Instead of serving national purposes, Germany’s strength would serve Europe’s collective purposes, while its government regained some measure of regional credibility.

France made a bold move in the direction of a united Europe in May 1950, when Foreign Minister Robert Schuman proposed the formation of the European Coal and Steel Community (ECSC) composed of “Little Europe” (France, West Germany, Italy, and the Benelux countries of Belgium, the Netherlands, and Luxembourg). The aim of the Schuman Plan was to interweave German and French heavy industry to such an extent that it would be impossible to separate them. Germany never again would be able to use its coal and steel industries for nationalistic and militaristic purposes. War between Germany and France would become not only unthinkable but also impossible.

As the benefits of pooling heavy industry became clear, European leaders expected that other sectors of the economy would follow suit, possibly leading to the creation of a “United States of Europe.”11 They took a major step in this direction in 1957 when the six governments of “Little Europe” established the European Economic Community (EEC), more commonly known as the Common Market. Members of the EEC agreed to eliminate the tariffs and quota systems that hampered trade among them and to abolish restrictions on the regional movement of goods, services, labor, and capital. In addition, they created a variety of governing bodies, including a European Parliament, to pave the way toward political unification.

Not surprisingly, the Soviet Union voiced strong opposition to the Common Market. A thriving Western Europe, economically prosperous and politically stable, not only would prove a powerful barrier to Soviet expansion, but also might threaten the status quo in Eastern Europe. The Western European societies were a magnetic attraction for Soviet clients, especially when the gaps in living standards between the two blocs became evident. After Stalin’s protests fell on deaf ears in the West, the Soviet leader redoubled his efforts to isolate Eastern Europeans and subject them entirely to Moscow’s control.

**European Security and the NATO Alliance**

Soon after the Marshall Plan was launched, it became clear that economic measures alone would not adequately counter Soviet expansion. In February 1948, the Soviets engineered a coup d’état in Prague, and—ten years after the Munich agreement and Adolf Hitler’s subsequent seizure of

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that betrayed nation—Czechoslovakia disappeared behind the iron curtain. A few months later, in June, the Soviets challenged the postwar division of Germany that had left West Germany occupied by the Western powers, East Germany in Soviet hands, and the city of Berlin similarly divided. The challenge took the form of a Soviet blockade of West Berlin in an effort to dislodge the occupying Allied powers. It is not surprising that Western Europeans were alarmed by these overt acts of Soviet hostility. It suddenly became clear that a second requirement for Europe's continued economic recovery, along with regional integration, was greater military security.

The Europeans already had taken modest steps in this direction. In March 1947, France and Britain had signed the Treaty of Dunkirk to provide for their mutual defense against a threat to their security. A year later, Britain, France, the Netherlands, Belgium, and Luxembourg signed the Brussels Pact for their collective self-defense. Its members expected the system of collective defense, officially proclaimed the Western European Union, to attract American military support. They were not disappointed. In April 1949, these countries—along with the United States, Canada, Denmark, Iceland, Italy, Norway, and Portugal—created the North Atlantic Treaty Organization. The NATO treaty called for "continuous and effective self-help and mutual aid" among its signatories; an invasion of one "shall be considered an attack against them all." Former isolationist Arthur Vandenberg, chair of the Senate Foreign Relations Committee, hailed the agreement as "the most important step in American foreign policy since the promulgation of the Monroe Doctrine."

The creation of NATO set a precedent for the United States. Long wary of "entangling alliances," especially with the European powers, the United States committed itself to an alliance in peacetime. It would not allow another gap in the balance of power, nor would it allow itself to become drawn into a war after it had begun. It would commit itself indefinitely to preserving the European balance. From Washington's perspective, NATO would serve two vital functions. First, in countering the Soviet threat, the alliance would enhance the collective defense of its members against Soviet provocations. Second, by subordinating their military forces to the U.S.-led alliance, the Western European governments would defuse their internal rivalries, which had sparked both world wars. This function of regional collective security, though rarely emphasized by European and American leaders, played a vital role in their calculations. When West Germany joined NATO in May 1955, the alliance's role in dampening internal tensions became even greater.

Like the Marshall Plan, the birth of NATO provoked the Soviet Union to respond in kind. Just after West Germany's entry into NATO,
the Soviets established the Warsaw Treaty Organization, comprising the Soviet Union and its seven satellite states in Eastern Europe: Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania. The Warsaw Pact, as it became known, was modeled on NATO, although the Soviet satellites played a relatively minor role in managing the alliance. Indeed, Eastern Europeans had little choice in the matter because their governments were controlled by Moscow.

The creation and expansion of NATO were closely linked to the future of Germany, which bordered on the Soviet bloc. Germany had held the key to the European balance of power since at least 1870 when Prussia defeated France, Europe’s preeminent land power, and established a united Germany. And Germany continued in that role even after its defeat in 1945. It was inevitable, then, that the Soviet Union and the United States would clash over the future of Germany. As noted, Soviet troops occupied eastern Germany, and the Allies controlled the western region. Late in the war, the leaders of Great Britain, France, and the United States had chosen to merge their territories and govern them as a single unit. The Soviet Union would be alone in controlling the eastern frontier.

This stalemate produced the division of Germany along Cold War lines. The Allies sought to create an independent, democratic, and economically viable West Germany based in Bonn. Meanwhile, the Soviet Union consolidated its hold over East Germany and installed a pro-Soviet government that would become part of the communist bloc in Eastern Europe. The Allies, which had decided to assist rather than punish their former enemy, benefited most from this arrangement. West Germany contained the majority of Germany’s population and much of its industrial power. East Germany possessed far fewer resources, and what little it retained after World War II was hauled away in boxcars to the Soviet Union.

Recurring Conflicts over Berlin

The Soviets reacted to the creation of a potentially strong West Germany by blockading West Berlin in 1948. Berlin, like Germany, was supposed to be administered by the four occupying powers, but the growing Cold War had divided the city just as it had Germany. Lying deep in East German territory, surrounded by Soviet divisions, the western half of the city was a vulnerable spot where the Soviets could apply pressure on the Western powers. But the issue at stake was more than the Western presence in Berlin: it was Germany itself. Berlin, as the old capital of Germany, was the symbol of the ongoing conflict between the Soviet Union and the
West. If the Allies could be forced out of Berlin, German confidence in the United States would be undermined.

The Soviet attempt to drive the United States out of Western Europe left Washington with little choice but to defend its position in West Berlin. To that end, Truman launched a continuous airlift of supplies to Berlin instead of attempting to puncture the blockade on the ground, which might have sparked armed conflict between the superpowers. The Soviets waited to see if the Western powers could take care of West Berlin's 2.5 million citizens indefinitely. It would require a minimum of four thousand tons of food and fuel daily—an enormous amount to ship in by air. But after 324 days, the Soviets were convinced that the Americans and British were more than equal to the task. Although the total supplies did not immediately reach the four-thousand-ton target, Western planes, landing at three-minute intervals, eventually flew in as much as thirteen thousand tons a day, or 60 percent more than the eight thousand tons previously sent in each day by ground transport. Faced with this colossal Allied achievement, the Soviets called off the blockade in May 1949.

The United States had plainly demonstrated to the Soviet Union that it was determined to hold Western Europe and not allow further Soviet expansion and to the West Germans that they could count on America to protect them. Economically, the United States hastened Germany's recovery through Marshall Plan funds. Militarily, through NATO, West Germany would enjoy a greater sense of national security without becoming a threat to its neighbors.

Later attempts by the Soviet Union to evict the Western Allies from Berlin only strengthened West Germany's resolve. Joseph Stalin's successor, Nikita Khrushchev, was left with an almost impossible task. His attempted reforms, designed to soften the hard edges of Stalinism, only encouraged dissent and threats to Soviet control over Eastern Europe. The Soviet Union's credibility as the regional hegemon depended on maintaining a presence in West Berlin. Khrushchev pursued this objective by issuing an ultimatum to the Allies in 1958 to end the four-power occupation of the city in six months. His threats, however, fell on deaf ears. Finally, in 1961, Khrushchev ordered the construction of a wall through Berlin to separate the eastern and western parts of the city and eliminate the escape hatch for East Germans. The Berlin Wall became the most vivid symbol of the protracted Cold War in Europe.

Overall, America's postwar strategy in Western Europe during the early phases of the Cold War accomplished its many objectives. The Truman Doctrine discouraged Soviet meddling in the domestic
politics of America’s allies. The Bretton Woods accords and Marshall Plan set Western Europe on the path to economic recovery, democracy, and social stability. Through NATO, the United States established a formidable military presence that further enhanced European security. Most of all, by drawing a clear line between the American and Soviet spheres of influence, the United States demonstrated that it was in Europe to stay.

**Confronting Revolution in East Asia**

Whereas Europe held strategic priority in the U.S. defense strategy of the early Cold War years, Asia continued to be of secondary interest. In fact, the United States found Western Europe so vital to American security that it vowed that any Soviet move into the region would provoke an all-out clash with the United States and NATO. Moreover, it explicitly delivered this promise to Soviet leaders throughout this period. By contrast, no single area in Asia was thought to be worth the cost of total war. The region was too distant, its economies too modest, and its political and social systems too distinct from those in the West.

Yet, as American leaders revived Western Europe, they soon recognized that, to contain communism, they would have to channel their economic and military resources to other parts of the world, including the Asian perimeter of the Soviet Union and China. But whereas pressure on Europe united the Western powers, developments in Asia divided Europe and the United States. In Washington, upheavals in Asia inspired a prolonged and heated debate between “Asia firsters” and those seeking to limit U.S. containment efforts to Western Europe. Events would propel the United States into action on both fronts.

The collapse in 1949 of Nationalist China, on which the United States was counting in the emerging Cold War, led to the establishment of the People’s Republic of China (PRC) under the leadership of communist Mao Zedong. The communists’ victory was quickly followed by China’s annexation of neighboring Tibet, a treaty of friendship between China and the Soviet Union, and the invasion of South Korea by communist North Korea. The logic of George Kennan’s containment strategy would be put to the test far from the iron curtain, as would the leadership of the United States in the emerging anticommunist coalition. American resolve required more than words. Concrete action was essential to sustain containment on a global scale.
The Chinese Revolution

During World War II, the United States had two goals in the western Pacific region: to defeat Japan and to help sustain the government of China so it could play a leading role in protecting the postwar peace in East Asia.\(^{12}\) At a meeting in Cairo in 1943, President Roosevelt and British prime minister Winston Churchill promised Chinese premier Chiang Kaisheng that all Chinese territories conquered by Japan would be returned after the war. In typically American fashion, Roosevelt thought that the mere pronouncement of China as a great power could actually convert it into one: one need only believe strongly enough in the desirability of an event for it to happen. But American faith without a viable Chinese government was not enough to accomplish the task. In their desire to create stability in East Asia based on a U.S.-Sino alliance, the Roosevelt and Truman administrations ignored the depth of hostilities between the ruling Chinese Nationalists and communists, who at the time were engaged in a protracted civil war.

Already in control of large segments of China before World War II, the communists had extended their sphere during the war. Meanwhile, the pro-American Nationalist regime was losing popular support and disintegrating. Chiang's failure to satisfy the peasants, the vast majority of China's population, as well as rampant corruption among government officials, paralyzed his efforts to gain control of the country. A government whose principal supporters were the landlords was unlikely to carry out the reforms the peasants sought. As Chiang continued to lose popularity, he turned to repressive measures that further alienated the people, ensuring a communist victory in the civil war. Recognizing his defeat, Chiang withdrew to Taiwan (then called Formosa), an island lying one hundred miles off China's coast. In the fall of 1949, the leader of the communist forces, Mao Zedong, proclaimed victory and established the People's Republic of China.

In Washington, policymakers debated the question of whether the United States could have prevented the PRC's victory. The answer was “perhaps”—if American officers had taken over the command of the Nationalist armies; if the United States had been willing to commit large-scale land, air, and sea forces; and if the United States had been willing to commit even more financial aid than the some $2 billion it had contributed since its victory over Japan. But these conditions could not have been met. America's rapid demobilization had left it with too few forces either to

Today's People's Republic of China (PRC), one of the world's major superpowers, still stands in the shadow of its founding father, Mao Zedong. Born in 1893, Mao had childhood memories of the Chinese government struggling to break free from foreign interference at the turn of the century. After receiving a modern education, Mao struck out as a social reformer, organizing peasant and industrial unions in the 1920s. He then moved into the countryside and established rural “soviet,” or revolutionary groups bent on creating a communist system. In the 1930s, Mao's attention shifted to military struggle and civil war, and, as chairman of the breakaway Soviet Republic of China, he led the “long march” in 1934 and 1935 of antigovernment revolutionaries across the country. During World War II, he led his armies against two enemies at once: the Japanese occupying forces and the forces of China's Nationalist regime, led by Chiang Kai-shek.

As the first leader of the PRC in 1949, Mao soon amassed unrivaled control over the world's largest population. At the age of fiftysix, he placed himself at the center of government and society, forcing all citizens to adopt the Chinese Communist Party's “mass line.” After several years, Mao briefly softened his rigid posture, declaring in 1956 that Beijing would “let a hundred flowers bloom, let all the schools of thought contend.” But he quickly reversed this move toward liberal reform after watching anticommmunist rebels nearly topple the Soviet Union's client state in Hungary. He announced that dissent would not be tolerated in China, and that he personally would distinguish between “fragrant flowers and poisonous weeds.” Mao then ruled China ruthlessly for the rest of his life, through such societal upheavals as the “Great Leap Forward” and the Cultural Revolution. His death in 1976 left the Communist Party still firmly in control, but it also left the Chinese economy paralyzed by more than a quarter-century of central planning and social engineering that left tens of millions of citizens dead or dislocated. Mao's break with the Soviet Union in the 1960s, and his opening of diplomatic relations with the United States in 1972, made him less threatening to the United States in his final years in power.
supply the officers needed to direct the Nationalist forces or to intervene in China. The United States had only a modest standing army at home, even after the signing of the National Security Act. Nor were the American people in any mood to rearm and remobilize in the late 1940s. There was little sentiment in favor of “rescuing” Eastern Europe from Soviet domination—and far less for fighting a war in China.

Looking beyond the communist victory in China, American officials were optimistic. Secretary of State Dean Acheson expressed his belief that, despite the common ideological points of view of the Chinese and Soviet regimes, they eventually would clash. Acheson predicted that Russia’s traditional appetite for a sphere of influence in Manchuria and northern China would arouse Chinese nationalism. Thus Acheson warned President Truman and members of Congress that the United States “should not deflect from the Russians to ourselves the righteous anger and hatred of the Chinese people.”

The implications of Acheson’s point of view were clear. If the Chinese communists were genuinely concerned about the preservation of China’s national interest, they would resist Soviet advances. Mao might become an independent communist leader like Yugoslavia’s Marshal Josip Broz Tito, who refused to join the Soviet bloc in Eastern Europe. But if Mao proved subservient to the Soviet Union, he would lose the support of the Chinese people. His regime would be identified with foreign rule because he would appear to serve the interests of another power, even a fellow communist regime. In the end, despite their ideological affinities, Stalin and Mao distrusted one another, and each viewed himself as the true leader of international communism. Even as the two leaders signed a treaty of friendship in 1950, their mutual antagonism was apparent. But before the U.S. divide-and-conquer strategy could be tested, war broke out in another part of East Asia. The conflict on the Korean peninsula created a bitter gulf between the United States and the PRC that lasted for a generation.

**Hot War in Korea**

Mounting concerns within the Truman administration led to the release in April 1950 of the report known as NSC-68, a dire warning by the National Security Council about communist expansion beyond Europe. “The issues that face us are momentous, involving the fulfillment or destruction not only of this Republic but of civilization itself,” wrote Paul Nitze,

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13Dean Acheson, Present at the Creation: My Years in the State Department (New York: Norton, 1969), 356.
the primary author of the government report. The report was designed to gain congressional approval for a major increase in U.S. defense spending. More important, the authors of NSC-68 deliberately sought to alarm the general public, whose support would be required for the escalation of the Cold War.

Events in East Asia quickly affirmed NSC-68’s dire forecasts. The invasion of South Korea by North Korea in June 1950 provoked a military response by the United States, under the aegis of the United Nations, and represented the first test of George Kennan’s containment strategy. More broadly, the Korean War demonstrated that the Cold War would occasionally become “hot,” thrusting the superpowers into active hostilities all along the containment frontier.

Korea had been a divided country since the end of World War II. Under the terms of the postwar settlement, the Soviets would disarm the Japanese in occupied Korea above the thirty-eighth parallel, and the United States would take on the task below, thereby dividing the country until a new government could be established. With the beginning of the Cold War, however, this division became permanent. All American attempts to negotiate an end to the division and establish a united Korea failed. The United States had taken the problem to the United Nations in 1947, calling on it to sponsor free elections throughout the Korean peninsula. The Soviets, however, refused to allow elections in North Korea, which had been transformed into a dictatorship, and thus only the South Koreans cast ballots. The United States quickly recognized South Korea as its newest ally.

Both the South and North Korean governments regarded themselves as the legitimate representatives of the Korean people, and each was dedicated to the reunification of the peninsula under its control. In that sense, the war that broke out when North Korea attacked South Korea on June 25, 1950, was a civil war between two regimes determined to eliminate each other. But it also was an international war because events in Korea after 1945...

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15 The NSC-68 report had deep economic roots, as American corporations aggressively lobbied members of Congress, as well as Pentagon officials, for strong action against communist states. See Curt Caldwell, NSC and the Political Economy of the Early Cold War (New York: Cambridge University Press, 2011).

served as a micro-cosm of the Cold War rivalry. North Korea’s invasion could not have occurred without Stalin’s approval, which, according to evidence revealed later, was given in March 1949.\textsuperscript{17}

The survival of South Korea became immediately identified with the containment doctrine. If the principal purpose of containment was to prevent further Soviet expansion, American inaction in the face of such overt provocation would only encourage future aggressive acts. And if the United States stood by while South Korea fell, it would demonstrate to the world that the United States was either afraid of Soviet power or unconcerned about the safety of its allies. American guarantees to help preserve other nations’ political independence would be regarded as valueless, leaving them with no alternative but to turn to neutralism for protection and to seek some form of accommodation with the Soviet Union.

At first, the United States tried to stem the North Korean advance using air and sea forces alone. But after a few days, Gen. Douglas MacArthur, the U.S. military commander in the Far East, reported that Korea would be lost unless ground forces were deployed to halt the advancing enemy army. In response, Washington ordered its occupation troops from Japan to Korea to participate officially in a United Nations peacekeeping force. The UN’s involvement in the conflict suited the United States because one of the aims of American foreign policy was to associate its Cold War policies with the humanitarian values and peacemaking functions of the UN. Although many countries justified their policies in moral terms, American leaders were especially motivated to do so. The nation’s power had to be “righteous” power, used not for purposes of power politics and selfish national advantage but for the peace and welfare of all people.

North Korea’s offensive extended far beyond Seoul, and by September 1950, the UN coalition had retreated to the southeastern corner of the peninsula. On September 15, in a daring operation, MacArthur, now UN supreme commander, landed troops at the west coast port of Inchon and launched a counteroffensive that was intended to divide and conquer the North Korean forces. This strategy succeeded as the UN coalition regained control of the peninsula’s center while North Korean troops in the region retreated northward. Those left in the southern region were trapped without reinforcements and supplies.

When the UN forces reached the thirty-eighth parallel, the question confronting U.S. leaders was whether to cross it. The political aims of the war were compatible with the restoration of South Korea; they did not require a total war and the elimination of the North Korean government or the unconditional surrender of its troops. But the military situation favored the fulfillment of an American goal of several years’ standing: the unification of the Korean peninsula. Thus the U.S. government shifted its emphasis from containing the expansion of Soviet power to the forceful elimination of a communist state. The result—North Korean retrenchment, Chinese intervention, and ultimate stalemate—was to teach the United States the foolishness of changing limited political goals in the middle of a war in response to battlefield successes.

The new objective of a militarily united Korea was sanctioned by a UN resolution on October 7. The Chinese viewed the resulting march to their border as threatening, just as Washington had felt threatened by North Korea’s march southward toward Japan. So Beijing sent its armies into North Korea under the guise of “volunteers,” and in late November it launched a major offensive that drove the UN forces south of the thirty-eighth parallel. Throughout December 1950 and early January 1951, it was far from clear that UN troops could hold the peninsula, but they rallied and turned back the Chinese offensive. By March, they had once more advanced to the thirty-eighth parallel. The United States was again faced with the decision of whether to seek a militarily unified Korea or accept the status quo, a divided Korea.¹⁸

There was no doubt about what MacArthur, articulating the traditional American approach to war, wanted to do. War, he said, indicated that “you have exhausted all other potentialities of bringing the disagreements to an end,” and, once engaged, “there is no alternative than to apply every available means to bring it to a swift end. War’s very objective is victory—not prolonged indecision. In war there is no substitute for victory.”¹⁹ MacArthur recommended a naval blockade of the Chinese coast; air bombardment of China’s industrial complex, communications network, and military bases; and “diversionary action possibly leading to counter-invasion” by Chiang Kai-shek against the mainland.


But Truman rejected MacArthur's proposals as too risky, because such actions could spark a full-scale war between the superpowers. Unable to persuade his military commander, the president was forced to fire MacArthur rather than endure a prolonged internal struggle between the White House and the Pentagon. Such infighting was very costly in view of the stakes involved. The Sino-Soviet treaty bound the Soviet Union to come to the aid of China if it were attacked by Japan "or any other state which should unite with Japan" (an obvious reference to the United States). The Soviets' need to maintain their prestige in the communist world made it impossible for them to ignore a direct attack on China.

The truce talks begun in the summer of 1951 produced nothing but deadlock. The war was a drain on the United States and had to be ended. When Dwight D. Eisenhower took office in January 1953, he decided that if his efforts to gain an armistice failed, the United States would bomb Chinese bases and supply sources, blockade the mainland coast, and possibly use atomic weapons. It is doubtful, however, that the administration's threats were responsible for ending the war in July. Other factors appeared more critical. Chief among these was Stalin's death in March. His successors called for "peaceful coexistence" with the West and tried to convince the noncommunist world that they wanted to relax international tensions. Agreement on an armistice would provide evidence of their goodwill.

The Korean War thus ended just where it had begun—at the thirty-eighth parallel—and on basically the same terms the Truman administration had been unable to reach. As a result, the Korean partition became part of the global dividing line between the communist and noncommunist blocs. In August 1953, the United States signed a mutual security pact with South Korea designed to deter another attack from the north, a pact that remained in place throughout—and beyond—the Cold War.

The line of containment also was drawn in the Taiwan Strait, where U.S.-Sino relations had turned increasingly bitter after China's revolution and subsequent intervention in Korea. To Mao, Taiwan was an "outlaw province" that must be brought under Beijing's control; to American leaders, Taiwan was the legitimate seat of China's government. Eisenhower requested and received from Congress in January 1955 the authority to deploy American forces to protect Taiwan and "such related positions and territories" as the president judged necessary. As in Korea, the United States established its commitment to defend a line of containment in East Asia, this time just off the PRC's coast. The struggle over Taiwan defined the Cold War in East Asia in much the same way the Berlin Wall epitomized the conflict in Europe.
Domestic Pressures for a Global Crusade

The Chinese revolution and the Korean War dramatically altered American foreign policy less than a decade after its conception. Whereas U.S. policy had been limited to containing Soviet power in Western Europe and the Mediterranean, it now spilled over into a broader anticommunist crusade. Americans were shocked by the collapse in 1949 of Nationalist China, the establishment of a communist PRC, and the hot war in Korea. Suddenly, the security achieved by the containment policies in Europe—the Truman Doctrine, the Marshall Plan, the Berlin airlift, and NATO—seemed to have disintegrated. It appeared that the United States had stemmed communism in Europe only to see it break out in Asia.

The resulting insecurity and anxiety were heightened by other developments. The first was the explosion in 1949 of the Soviet Union's first atomic bomb, which shattered the American monopoly on the weapon widely regarded as the principal deterrent against a Soviet attack. The creation of a communist regime in China and the subsequent outbreak of the Korean War added to American insecurities. At home, bipartisan support for Truman's foreign policy had steadily eroded. The conservative wing of the Republican Party was especially restless. Led by Wisconsin senator Joseph R. McCarthy, these critics argued that the reason China fell was that the "pro-communist" administrations of Franklin Roosevelt and Harry Truman had either deliberately or unwittingly "sold China down the river." Therefore, the U.S. government must be filled with communist sympathizers who "tailored" American policy to advance the global aims of the Soviet Union. Low morale among the Chinese Nationalists, the Nationalist government's corruption and military ineptitude, and Chiang's repressive policies had nothing to do with it; nor did the communists' superior organization, direction, morale, and ability to identify with popular aspirations.

The State Department bore the brunt of this rhetorical onslaught. McCarthy verbally attacked Foreign Service officers and Secretary of State Dean Acheson on a daily basis. But his accusations, which continued as he chaired the Government Operations Committee in the Eisenhower administration, were not directed only toward government officials. Academics and others also were charged with being security risks or were accused of being "un-American." Many of the accused were fired, and others—especially stage actors and Hollywood figures—were blacklisted. Nationally, the political atmosphere during the early 1950s bordered on hysteria. Although McCarthy was censured by the Senate in December 1954 for...
Map 3-1  The Korean War, 1950–1953

1. Original partition line, 38th parallel
2. War begins, June 25, 1950
3. Farthest North Korean advance, September 1950
4. MacArthur’s UN forces land, September 1950
5. Farthest UN advance, October–November 1950
6. China enters war, November 1950
7. UN armies forced back by Chinese–North Korean armies, January 1951
8. Armistice line, July 1953

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his excessive claims and vicious tactics, his contribution to the frenzied national mood was irreversible.

The most significant result of all these developments was the transformation of American foreign policy from a limited anti-Soviet orientation to a broader anticommunist crusade. The primary goal was now to prevent territorial expansion by any member of the Sino-Soviet bloc. All communist states were considered enemies, regardless of size, location, or status. Lost in the crusading spirit were critical distinctions between America’s vital and secondary interests. In the Cold War, all interests were vital, all states were either allies or enemies, and all citizens were expected to fall in line.

Eisenhower’s “New Look” in Foreign Policy

Eisenhower maintained his popular national image even as public fears regarding the Cold War continued to fester. He sought to allay these fears in several ways—primarily by bolstering U.S. conventional and nuclear forces, creating new security alliances, and approving a variety of covert operations by the CIA. In 1953, U.S. defense spending consumed 60 percent of the federal budget as 3.5 million men and women served in the armed forces. The State Department, meanwhile, quadrupled its staff and greatly expanded its diplomatic presence overseas. The “arsenal of democracy” created by Franklin Roosevelt during World War II had become a permanent fixture in the United States—one that would outlast the Cold War.20

As described in the previous chapter, nuclear weapons played a key role in the globalized struggle against communism. The fear of nuclear annihilation was expected to discourage the superpowers from upsetting the status quo. In short, nuclear weapons were designed not so much to be used, but to serve the vital function of mutual deterrence. Nuclear weapons also made possible a reduction in military expenditures. In addition to his credentials as a war hero,

President Eisenhower was a fiscal conservative who was impressed by the ability of nuclear weapons to give the United States “more bang for the buck.”21

20 On Eisenhower’s efforts to centralize the armed forces, see David Jablonsky, War by Land, Sea, and Air: Dwight Eisenhower and the Concept of Unified Command (New Haven, Conn.: Yale University Press, 2010).

21 Eisenhower’s nuclear strategy faced strong resistance from the Pentagon, which claimed the president was trying to maintain American security “on the cheap.” See Dale R. Herspring, The Pentagon and the Presidency: Civil–Military Relations from FDR to George W. Bush (Lawrence: University Press of Kansas, 2005), chap. 4.
For this and other reasons, Eisenhower assigned nuclear weapons a prominent role in his restructuring of U.S. security policy, labeled the “New Look.” In the future, U.S. military forces would rely less on conventional forces—which cost a great deal to train, equip, and maintain—and more on nuclear deterrence. At the same time, Eisenhower and his secretary of state, John Foster Dulles, believed that the only effective means of preserving the “balance of terror” (a term coined by Winston Churchill) was to make clear that challenges to the status quo would be met with “massive retaliation.” In their view, the communists would not have invaded South Korea had they known their attack would be met with retaliatory air strikes on Moscow. Their expectation was that by going to the brink of war, the United States would be able to deter future Koreas.22

In this environment, the survival of U.S. nuclear forces became central not only to the nation’s security, but also to the security of its allies, which were protected by the “extended” deterrent of U.S. and NATO nuclear forces. In recognition of this situation, the Eisenhower administration sought to disperse the nation’s nuclear forces in a “triad”—ground-based launchers, aircraft, and submarines—so that the weapons were less vulnerable to a surprise attack. The goal of protecting nuclear forces became as crucial as their production. Preserving deterrence was a continuing, never-ending task, not simply because some change in the balance might precipitate war, but because shifting strategic balances might affect the risks each side was willing to take.23

Eisenhower’s “New Look” took on other dimensions as well. Even before his election, American leaders had departed further from their traditional aversion to “entangling alliances.” In addition to NATO, the United States pledged in 1947 to defend the countries of the Western Hemisphere through the Inter-American Treaty of Reciprocal Assistance. The Rio Treaty, as it became known, was followed a year later by the creation of the Organization of American States, in which twenty-one countries in the region extended their cooperation beyond collective security. In 1951, the United States joined Australia and New Zealand in creating the ANZUS alliance in the Pacific. Individual security guarantees also were extended to Japan, the Philippines, Taiwan, and South Korea as “pactomania” took hold among American military planners.


This process of alliance building escalated under the Eisenhower administration, which in 1954 created the Southeast Asia Treaty Organization (SEATO). The new alliance, designed to “contain” the Soviet Union beyond the European front, included the United States, Australia, Great Britain, France, New Zealand, the Philippines, Pakistan, and Thailand. Five years later, Eisenhower presided over the creation of the Central Treaty Organization (CENTO), which brought together the United States, Great Britain, Iran, Pakistan, and Turkey. Both of these alliances, however, proved less durable than NATO given their lack of popular support. When these states sought to maintain the containment walls, they were often unable, despite American help, to mobilize their citizens, many of whom viewed the alliances as attempts to preserve Western influence and prop up authoritarian regimes. America’s containment strategy thus encountered greater difficulties as its geographic scope widened, a pattern that became painfully evident in the developing world during the 1960s and 1970s.

Finally, Eisenhower greatly expanded the mission of the CIA, which launched a variety of “covert” operations that sought to tip the balance of power in favor of the United States without the use of large-scale (and public) military force. Among other such operations, the CIA in 1953 helped organize the overthrow of Iran’s prime minister, Mohammad Mossadegh, after he attempted to nationalize his nation’s oil fields. A year later, Eisenhower approved a CIA covert operation in Guatemala (described in the next chapter), whose elected leader was suspected of being a communist sympathizer. Such covert operations, which were hardly mentioned when the CIA was created just a few years earlier, became highly controversial once they became known to the American people and foreign governments. To many Americans, such actions contradicted the democratic values of the United States and threatened its self-image as an “exceptional” world power.

Also apparent was the fact that most CIA covert operations took place in the developing world, far from the front lines of the Cold War in central Europe. The use of such tactics demonstrated how complex American foreign policy became when North-South tensions overlapped with the tensions between the Cold War superpowers. Africa and Latin America emerged as bloody “theaters” of the Cold War, and the conflict in Vietnam paralyzed the U.S. containment effort. As the following chapter describes, managing these conflicts consumed the energies of American foreign policymakers, even as they sought new ways to resolve the festering East-West tensions between Washington and Moscow.
Map 3-2: U.S. Cold War Alliances