

History of  
International  
Relations and Russian  
Foreign Policy in the  
20th Century  
(Volume II)



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Edited by

Anatoly V. Torkunov,  
William C. Wohlforth  
and Boris F. Martynov

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## CHAPTER 12

# THE YALTA-POTSDAM SYSTEM OF INTERNATIONAL RELATIONS AND THE COLD WAR

MIKHAIL M. NARINSKY

*The post-WWII system came to be known as the Yalta-Potsdam system or world order, with the major weight in the balance of power having shifted from the traditional players in Europe to the United States and the Soviet Union. Each party in the Cold War tried to attract allies and satellites. All communist parties had to consistently follow the USSR and unconditionally support its foreign policy. Nuclear weapons were tools to deter Cold War rivals. These new kinds of weapons made crises of the Cold War extremely dangerous. The partition of Germany symbolised Europe's division and became one of the key elements of the Cold War. The Marshall Plan marked a significant milestone on the way to the division of Europe into spheres of influence. It created the prerequisites for a political union comprising the recipients and the donor. The North Atlantic Treaty became a decisive factor in shaping Western policies and contributed to the start of the arms race. The Hungarian crisis brought to light the difficulties and hardships facing socialist countries. Problems were not understood and proper lessons were not drawn. The leaders of the two "superpowers" were sobered by the Cuban Missile Crisis: they saw and felt the danger of balancing on the brink of nuclear war. Political miscalculations, reckless steps and flawed assessments of the enemy's intentions could have led to doomsday for the whole of mankind.*

### **1. New Post-WWII International Trends**

The end of the Second World War brought several new features to international relations. Specifically, the post-war world ushered in a

tremendously high level of interconnection spanning countries and regions, with the system of international relations becoming truly comprehensive and inclusive.

*The United Nations (UN)*, which was universal in scope, emerged as the institutional manifestation of an increasingly interconnected world. The United Nations Charter came into force on October 24<sup>th</sup>, 1945, with one central mission, namely the maintenance of international peace and security. In 1945, the organisation encompassed only the original 51 member states, including the USSR and its entities of the Byelorussian Soviet Socialist Republic and the Ukrainian Soviet Socialist Republic. As the Charter says, “the UN is based on the principle of the sovereign equality of all its Members” which undertook to “settle their international disputes by peaceful means” and “refrain in their international relations from the threat or use of force”. The UN Security Council became one of the principal organisations.

After the Second World War, Europe lost its pre-eminence in international affairs, with decolonisation becoming an irreversible process. While only four independent African states, namely Egypt, Liberia, Ethiopia and the Union of South Africa, joined the UN in 1945, the early 1960s saw their number increase to 30.

*The post-WWII system of international relations came to be known as the Yalta-Potsdam system or world order, with the major weight in the balance of power having shifted from the traditional players in Europe to the United States and the Soviet Union.*

Vanquished Germany ceased to exist as an independent nation for some time. Japan capitulated only to be occupied by the United States. Italy lost its international role with its defeat. France, suffering economic and political hardship as a result of the Second World War, could not lay claim to its pre-war leadership. Even the United Kingdom, as it turned out later, emerged from the bloodshed an economically and financially weak and unstable empire.

With the global ascendancy and supremacy of the USSR and the US, bipolarity characterised the Yalta-Potsdam system of international relations. The Soviets emerged from the war as the driving force of the anti-Hitler coalition and as clear victors over Nazism. By the end of World War II, Soviet troops had been stationed in Poland, Czechoslovakia, Hungary, Romania and Bulgaria. The Red Army took part in the liberation

of Yugoslavia, Albania and Finnmark, the northernmost county of Norway bordering the USSR. In Europe, the Soviets also occupied eastern parts of Germany and Austria. The Grand Alliance (also known as the Big Three) decided the USSR would declare war on Japan within three months of Germany's surrender in exchange for control of the southern half of Sakhalin Island, the Kuril Islands, and the rights to the Manchurian ports of Dairen and Port Arthur.

The Soviet leadership successfully insisted that the country's borders be those extant in June 1941 (i.e. including Western Belorussia, Western Ukraine, Estonia, Latvia, Lithuania, Bessarabia, and North Bukovina, as well as the territory ceded by Finland in the Winter War of 1939-1940). The Soviets also made substantial new territorial gains, such as Königsberg (now Kaliningrad) and its surrounding areas, the Finnish town of Petsamo (Russian: Pechenga), Transcarpathian Ukraine (as a 1945 bilateral agreement between the USSR and Czechoslovakia stipulated), southern Sakhalin, and the Kuril Islands. The Western allies recognised the Soviet right to establish "a security zone" along the country's European borders. The end of WWII saw a marked increase in Soviet world influence. Joseph Stalin, as a fully-fledged member of the Big Three meetings, had regular correspondence with American presidents and British prime ministers. The Soviets signed treaties of friendship, alliance and mutual assistance with Great Britain, France, Czechoslovakia, Yugoslavia, Poland and China. The Soviet Union took a role in the establishment of the UN in 1945 and became a permanent member of the UN Security Council.

Later, the USSR and the USA, the guarantors of the new system of international relations, were referred to as the two post-WWII superpowers. At the same time, the Yalta-Potsdam system was not completely bipolar, as in the 1950s decolonisation contributed to the formation of the Non-Aligned Movement.

*Despite the great disparity of power between the two superpowers, it was the USSR and the United States that started to dominate the characteristically bipolar world order.*

Bipolarity ensured a certain level of stability of the Yalta-Potsdam system, with the two major actors counterbalancing each other and controlling their allies. The post-war system was typified by a tacit mutual recognition of the two superpowers' spheres of influence.

The Yalta-Potsdam system of international relations brought a nuclear factor to the fore. The United States was the first country to acquire nuclear weapons. The Americans dropped atomic bombs on the Japanese cities of Hiroshima and Nagasaki on August 6<sup>th</sup> and 9<sup>th</sup>, 1945, respectively. As for the Soviet Union, it detonated its first nuclear bomb in August 1949.

From 1945 to 1949, the United States, therefore, enjoyed a nuclear monopoly, thus pursuing a more hawkish foreign policy. Nuclear weapons contributed to a US-Soviet confrontation and the evolving bipolar system.

*Things significantly changed after the Soviets successfully tested their first nuclear device in 1949. A completely new situation arose in 1957, when the USSR sent the first satellite Sputnik into space and started producing intercontinental ballistic missiles (ICBM) capable of being fired into US territory.* The fear of mutual destruction and a vast number of deaths in a global nuclear apocalypse injected into the countries' foreign policies elements of restraint. Nuclear capabilities had a stabilising effect on the Yalta-Potsdam world order.

Yet such elements as the balance of terror, conflicts, crises, local conflicts, and the costly arms race could never make a stable edifice of the post-World War II system of international relations. There was an unconditional threat posed by the missile and nuclear arms race. Despite all of this, the Yalta-Potsdam system turned out to be more stable than the Versailles-Washington world order and did not lead to a large-scale war.

The two powers' predominant positions in the post-war world soon turned into their apparent struggle, which took the form of the *Cold War*—a total and global confrontation fraught with crises and conflicts.

The fully-fledged eruption of the Cold War took place in 1947. Not only did the Cold War amount to the confrontation of the two strongest powers, but it also represented a clash of different socio-economic and political systems, namely the totalitarian (later authoritarian) society typified by a centrally planned economy versus Western democracy typified by a market economy. The USSR and the USA tried to strengthen their positions in the international arena and prevent each other from exerting too much influence on international affairs. Under such circumstances, close attention was paid to the military issue, which led to a massive military build-up.

*Each party in the Cold War tried to attract allies and satellites. The nuclear factor played an important role in the Cold War—just as in the whole Yalta-Potsdam system. Nuclear and thermonuclear weapons were tools of influence to be used as a deterrent on the Cold War rival. These new kinds of weapons made the crises of the Cold War extremely dangerous.*

At the same time, the Cold War did not result in a full-scale armed conflict, in a new world war. Why did it turn out this way? Soviet and American leaders did not set themselves the goal of the full military destruction of their Cold War rival. Moreover, no party had the real capability to destroy the other one. Therefore, the Cold War did not degenerate into outright warfare or a real war.

With the defeat of Nazi Germany and then militarist Japan, with the loss of the common enemy, the anti-Hitler coalition was destroyed. Sharp differences in social and political structure, in the system of values and the ideology of the USSR on the one hand, and the West, primarily, the USA, on the other hand, became a great factor in the split of the alliance of the states that won World War II and in the beginning of the confrontation between the East and the West.

Stalin's plans for the post-war order included the strengthening of his personal dictatorship within the USSR and the accelerated building of socialism in the country as well as in some other states. The Soviet leader wanted to ensure favourable borders for the Soviet Union and a well-controlled sphere of influence.

The Soviet leadership showed deep hostility to the capitalist world and leading Western countries as potential rivals. The hostile attitude towards the bourgeois West was accompanied by the wish to prevent any liberalisation in internal policies.

Western leaders saw the post-war world as a triumph of the principles of democracy and the market economy, and of the Anglo-Saxon-led world. The US leadership witnessed the rise of Soviet international influence and its ensuing predominant positions in Eastern Europe with concern and alarm. Acquiring nuclear weapons immediately made the US stance on the USSR tougher and the US position more offensive.

In early 1946, the US establishment developed the key principles of its foreign policy course towards the USSR. On February 22<sup>nd</sup>, they were expressed in the clearest way in the famous Long Telegram from Moscow

written by *George Frost Kennan*. The US diplomat expressed his view of USSR foreign policy as a continuation of the expansionist traditions of the Russian Empire mixed with the permanent striving of Marxism-Leninism for the expansion of its influence. As Kennan put it, the goal of the USSR was to destroy the traditional way of living in the US. The Long Telegram by Kennan laid the foundations for the US policy of containment. In February-March 1946, the US leadership started to view the Soviet Union as a potential rival.

It is no coincidence that at the same time, on March 5<sup>th</sup>, 1946, Winston Churchill delivered his famous *Fulton Speech (Iron Curtain Speech)* calling for the creation of the “fraternal association of the English-speaking peoples”. This association was aimed at counteracting the USSR’s ascendancy.

On the other side, the USSR was also adopting a tougher approach towards foreign policy. On February 9<sup>th</sup>, 1946, Stalin pointed out in his speech the need to ensure the security of the USSR through the efforts of the Soviet people: through boosting vigilance, mobilising internal resources, accelerating the development of heavy industry and building up the nuclear potential.

The post-war paper on the US foreign policy prepared by the Soviet Ambassador to the USA, Nikolai Novikov, in September 1946 became a kind of analogue to the Long Telegram by Kennan. As Novikov pointed out, “Reflecting the imperialistic tendency of American monopoly capital, US foreign policy has been characterised in the post-war period by a desire for world domination”. Escalation of international tensions resulted in the split of Europe and the world into two opposing socio-political blocs.

By the end of World War II, the Soviet leadership had managed to return to the June 1941 borders and even gained some new territories. Moreover, the Soviet leadership sought to create a Soviet sphere of influence along the USSR borders, primarily in Europe. Methods of establishing Soviet dominance in Eastern Europe also played an important role. Now they are well known—the use of the Red Army and the People’s Commissariat for Internal Affairs (NKVD), establishing the control of communists over state security bodies and the “political police”, rigging electoral results, and organising political processes against rivals of the communist parties.

Furthermore, Stalin’s government tried not only to anchor the USSR’s sphere of influence but also to expand it. Starting in spring 1945, the

USSR stepped up its pressure on Iran. The USSR used, for this purpose, the deployment of the Red Army in northern Iran that took place from August 1941. By the end of the war, the Soviet Union had managed to gain exclusive rights on the development of oil fields in northern Iranian provinces and made Iran give a broad autonomy to Iranian Azerbaijan (the northern part of the country mainly populated by ethnic Azerbaijanis).

In accordance with the existing agreement, the UK and Soviet troops were to withdraw by March 2<sup>nd</sup>, 1946. However, the USSR government did everything to delay the withdrawal of troops from northern Iran and supported pro-Soviet separatist organisations. Fulfilling the international agreements, UK and US troops left Iran in early March 1946. The UK and US leaders showed firm determination to prevent the USSR from strengthening its position in the Middle East. The tough position of the United States and the UK combined with the political manoeuvring of the Iranian government urged the Soviet Union to complete the withdrawal of its troops from the neighbouring country in May 1946. The Iranian crisis came to an end.

Alongside the discussion of the Iranian crisis at the UN Security Council, sharp debates also focused on the *Greek issue*. After the German invasion in spring 1941, Greece was occupied with the king and the government in exile in Egypt. The Resistance movement, which consisted of two wings: pro-Communist and pro-Western monarchical ones, was actively developing in Greece. By the time of the liberation of Greece in October 1944, pro-communist anti-monarchical organisations had gained stronger positions. However, in accordance with the October 1944 agreement between Stalin and Churchill on the division of spheres of influence in southeastern Europe (the so-called “Percentages Agreement”), the Soviet leader recognised British predominance in Greece.

At this time, Stalin showed a readiness to abide by the agreement reached with Churchill on the partition of the spheres of influence and advised the Greek Communists not to start a civil war. However, in October 1945, the communists announced the creation of the underground Democratic Army of Greece and unleashed a civil war in the country. The further escalation of the tensions of the Cold War resulted in Stalin’s decision to support the Greek Communists in the civil war waged in late 1946 and early 1947. The necessary aid was delivered through Yugoslavia and Bulgaria. The civil war in Greece ended in 1949 with the defeat of the Greek Communists.

*The struggle for influence in Iran and Greece was just a part of the great powers' fight to strengthen their positions in Eastern Europe and the Middle East.*

From spring 1945, Stalin's government held an anti-Turkish campaign. On March 19<sup>th</sup>, the USSR denounced the 1925 Soviet-Turkish Treaty of Neutrality and Friendship because of the "changed international situation".

At the subsequent negotiations with Ankara on the possible signing of the union treaty, the Soviet party raised the issue of a revision of the 1936 Montreux Convention so that only Black Sea countries could control the passage of military vessels through the Bosphorus and the Dardanelles straits. The Soviet Union also insisted on being granted a naval military base in the region of the straits. In August 1946, the Soviet government once again persistently proposed to Turkey the transfer of control over the straits to only Black Sea countries, with the USSR participating in the defence of the Bosphorus and the Dardanelles.

The United Kingdom and the USA decisively counteracted the boost of the USSR positions in the eastern Mediterranean. Given the global strategy issues, the USA had to provide Turkey with the necessary support and aid including threats to engage in hostilities with the USSR. The US leadership viewed Greece and Turkey as an approach route to the Middle East oil fields, which urged Washington to provide these countries with significant financial aid.

## **2. International Relations in Europe and the German Issue in the Period 1945-1955. The Formation of Economic, Military and Political Blocs**

Institutionalised peace-building in Germany and its allied countries became important after the end of World War II. The Potsdam Conference established a *Council of Foreign Ministers (CFM)*, with the Big Three plus China and France being members. The CFM was entrusted with the urgent task of preparing peace treaties for Italy, Romania, Bulgaria, Hungary and Finland.

To that end, the CFM held the first plenary conference in London from September 11<sup>th</sup> to October 2<sup>nd</sup>, 1945. The Western demand that the governments of Bulgaria and Romania be reorganised caused the CFM to grind to a halt. With the Soviet rejection of the demand, the London meeting came to nothing.

In December 1945, Moscow hosted a more conciliatory CFM meeting attended by the British and the Americans. Bulgaria and Romania were advised to co-opt two ministers from the democratic opposition parties into their communist-dominated cabinets, which, however, by no means changed their pro-Soviet nature. The USSR, for its part, consented to such functions of the Far Eastern Commission that left the US occupation of Japan almost unlimited.

The outcomes of the December 1945 Moscow Conference of the Three Foreign Ministers allowed the preparation of *peace agreements for formerly belligerent countries* to proceed. The period from April until July 1946 saw the Big Three, plus France, negotiate the terms of the peace settlement. From July 29<sup>th</sup> to October 15<sup>th</sup>, 1946, the Paris Peace Conference took place attended by 21 UN member states. In November, the CFM reconvened in New York to finalise the peace accords. Finally, an agreement was soon reached, and the peace treaties with Bulgaria, Hungary, Romania, Finland and Italy were solemnly signed in Paris on February 10<sup>th</sup>, 1947.

Each peace treaty declared the cessation of the state of war with the relevant nation. The vanquished were obliged to secure for all persons under their jurisdiction “the enjoyment of human rights and of fundamental freedoms” and not to permit the resurgence of fascist or Nazi organisations. Each nation was allowed to possess enough armed forces to protect themselves. The defeated countries pledged to pay reparations to partly compensate the victors for the damage inflicted by the aggression.

If anything, it was the provisions of the peace treaties focused on territorial changes that triggered the most heated debates—especially those of the peace treaty with Italy. The USSR wanted to get control over Italy’s territory of Tripolitania in Africa as well as a small base for a trade and military fleet in the Mediterranean Sea. However, the Soviet attempts to enter the Mediterranean region faced the decisive opposition of the United Kingdom and the USA. Ultimately, in accordance with the peace treaty, Italy lost “all right and title to the Italian territorial possessions in Africa”, which were transferred under UN control.

Heated debates took place between *Italy* and *Yugoslavia* around *Trieste*—a city on the countries’ border with a mixed Italian-Slavic population. The long discussions ended with a compromise which saw Trieste, with a small nearby territory, included in the Free Territory of Trieste that was controlled by the United Nations. Later, in 1954, the city of Trieste and the

western part of the nearby territory joined Italy while the eastern part of the former Free Territory of Trieste joined Yugoslavia. In accordance with the peace treaty, Italy ceded the Istria Peninsula, a part of the Venezia Giulia region and the city of Fiume to Yugoslavia.

The peace treaty with *Romania* confirmed a transfer of Bessarabia and North Bukovina to the Soviet Union. Romania gained back a part of Transylvania transferred in 1940 to Hungary by the fascist bloc.

Bulgaria had to return the territories it had seized during World War II: Macedonia to Yugoslavia, and Thrace to Greece. At the same time, *Bulgaria* retained South Dobruja. Hungary suffered the most significant losses—it had to return to its 1937 borders.

*Finland* recognised the border with the USSR established in March 1940. Moreover, Finland ceded to the USSR the Petsamo (Pechenga) region near the border with Norway. *In general, such a peace settlement benefited the Soviet Union as it confirmed the country's territorial acquisitions and influence in Eastern Europe.*

The principles of the allies' treatment of defeated Germany were determined during the Yalta and Potsdam Conferences. The allied troops occupied the whole territory of Germany, which was divided into four occupation zones (the eastern one was controlled by the Soviet Union). Political and economic decisions in Germany were taken by the Allied Control Council, which consisted of the heads of the military administrations of the USSR, USA, United Kingdom and France. All the decisions in the Allied Control Council were taken on the principle of consensus. The Allied Control Council was headquartered in Berlin, and Greater Berlin was occupied by the Four Powers, with each of them having its own sector. Germany had neither a government nor a German system of governance.

The Potsdam conference determined the Oder-Western Neisse line as the eastern border of Germany. A part of former German territories was ceded to *Poland*, another part to *Czechoslovakia* and *Königsberg* (now Kaliningrad) along with a nearby territory that was transferred to the Soviet Union.

The Potsdam Conference ruled that the governance in Germany had to be based on the “Four Ds” principles: denazification, demilitarisation, democratisation and decartelisation.

During the Yalta and Potsdam Conferences, the participants decided to make Germany pay reparations to recover the losses of the countries that were subjected to the Third Reich's aggression. Unfortunately, the precise amounts and volumes of reparations were not determined.

The Council of Foreign Ministers discussed the German issue during several sessions. The council's discussions focused on several aspects of the German issue. France sought to amend and correct decisions made in Yalta and Potsdam where it was not represented. Paris insisted on the special status of the Ruhr and Rhineland regions as well as Saarland's accession to France. The Soviet and French agreed on the need to implement the reparations programme and the establishment of international control over the Ruhr region. The Soviet Union insisted on a lower level of German production and the corresponding increase in the volume of reparations.

To pursue the common policy on the German issue, the United Kingdom and the USA signed an agreement on merging their two occupation zones from January 1<sup>st</sup>, 1947 and so the *Bizone* was created. From 1946-1947, the USSR insisted on holding all-German elections, the creation of an all-German government and the signing of a peace treaty. The USA and the United Kingdom insisted on developing the peace settlement for Germany.

The Council of Foreign Ministers session held in November-December 1947 marked the apparent divorce between the three western powers and the Soviet Union. The Western countries agreed on merging the three occupation zones into a single economic entity (*Trizone*) and started preparations for creating the West German state.

In February 1948, the Western powers organised a *separate conference on the German issue in London*, which was attended by the USA, the United Kingdom, France, Belgium, the Netherlands and Luxembourg. At the London conference, the West set a course for creating the West German state and its inclusion in the western bloc.

The Western countries' actions worried the Soviet leadership. In March 1948, Moscow developed a plan to introduce restrictions on communications between Berlin and western zones of occupation.

At the same time, monetary reforms in western and eastern Germany were being prepared. On June 20<sup>th</sup>, monetary reform was introduced in the western zones of occupation.

In response, on June 22<sup>nd</sup>, the Soviet authorities started monetary reform in the Soviet zone of occupation and in the Greater Berlin area. The Western powers decided to hold their monetary reform also in the western sectors of Berlin. The Soviet authorities demanded that Berlin be included in the financial system of the Soviet occupation zone.

*On June 24<sup>th</sup>, the Soviet occupation authorities completely cut ground communications between the western zones of occupation and Berlin citing “technical reasons”. In return, the western powers (primarily, the USA) organised the “airlift” between the western occupation zones and West Berlin—all the necessary cargoes were transported by aircraft.*

A sharp international political crisis erupted around West Berlin. The western political leadership decided to abstain from breaking the Soviet blockade by force. At the same time, the Soviet leadership did not try to hinder the US “airlift” activities, as it also did not want to unleash a big war.

At the same time, the monetary reform itself was just a pretext for the crisis. It was caused by deep differences over the German issue. Moscow believed that the difficulties in West Berlin would urge the western powers to be more flexible and to give up their plans to create the western German state. The USSR leadership made a mistake as it had underestimated the western powers’ determination to counteract Soviet pressure.

In July-August 1948, Stalin and Molotov discussed ways of settling the *Berlin crisis* with representatives of the USA, the United Kingdom and France in Moscow. The western delegates sought the suspension of restrictions on communications between Berlin and the western zones of occupation. The main goal of the Soviet leadership was to persuade the USA, the United Kingdom and France to suspend preparations for creating the western German state. Moreover, Stalin and Molotov wanted the currency of the Soviet occupation zone to be used in Berlin.

The Soviet miscalculation of the entire military and political situation, western plans and capabilities resulted in the failure to reach compromise decisions in August-September 1948 and the failure to resolve the Berlin crisis. The situation around Berlin was becoming more and more self-defeating for the Soviet leadership. The Kremlin had to admit that the attempt to blockade Berlin had failed.

In accordance with the agreement reached on May 4<sup>th</sup>, 1949, all restrictions on communication, transport and trade between Berlin and western zones of occupation were lifted from May 12<sup>th</sup>. The western powers agreed to call one more session of the Council of Foreign Ministers in Paris to consider the German issue.

*Unfortunately, the parties failed to reach any real agreements at the Paris session of the Council of Foreign Ministers. Berlin remained a divided city with different currencies.*

To sum up, Stalin's government underestimated the determination of the western countries, primarily the USA, to implement the policy aimed at creating the western German state. The financial, economic and military resources of the West allowed it to ensure the successful operation of the US "airlift".

The parties' unwillingness to unleash a large-scale military conflict was an important feature of this sharp international crisis. The sides of the crisis exercised smart restraint.

An analysis of the Soviet leadership's steps during the 1948-1949 Berlin crisis shows that they aimed to counteract the expansion of the western sphere of influence. Moscow wanted to prevent the creation of the western German state and its inclusion in the western bloc.

The London conference of six western countries that ended in June 1948 launched the procedure of development and adoption of the western German state's constitution. The conference authorised the representatives of West German states to call the constituent assembly and prepare the constitution for the future western German state. In early 1949, the preparations for its creation were underway. On April 8<sup>th</sup>, foreign ministers of the three western powers signed the Washington Agreements on the German issue. The most important of them were the memorandum on the basic principles of the governments of the USA, the United Kingdom and France on fulfilling their rights and obligations after the creation of the Federal Republic of Germany, the Occupation Statute of Germany and the trilateral control agreement. The governments of the USA, the United Kingdom and France agreed to transfer full legislative, executive and judicial powers to the newly created federal country and its states. However, the occupying powers retained the right to control Germany's disarmament, the level of industrial production, the

development of the Ruhr region, West German foreign affairs, foreign trade and other issues.

*The Washington agreements completed the preparations for the creation of the western German state. On May 8<sup>th</sup>, 1949, representatives of the West German states (the Parliamentary Council) adopted the country's Basic Law (constitution). On May 23<sup>rd</sup>, the Parliamentary Council announced that the West German constitution had entered into force.*

In August 1949, the western German zones of occupation held elections in the Bundestag (the lower chamber of the parliament), which gathered on September 7<sup>th</sup> along with the Bundesrat (the upper chamber of the parliament, where the states are represented) in order to elect the German president and to form the government, which was headed by Konrad Adenauer. That finalised the creation of the Federal Republic of Germany with the city of Bonn as its capital.

At the same time, preparations for the creation of the eastern German state in the Soviet occupation zone were underway. In December 1947, the Socialist Unity Party of Germany (SED) called for the German People's Congress for Unity and a Just Peace Agreement. The Congress had a pro-Soviet and anti-western character.

From the autumn of 1948, the Soviet zone of occupation had been discussing the draft constitution of the eastern German state co-ordinated with the Soviet leadership. The draft constitution of the German Democratic Republic (GDR) was adopted by the Third German People's Congress in May 1949 and aimed at the creation of the pro-Soviet state in East Germany. The Third German People's Congress elected members of the German People's Council—a representative body of political parties and mass organisations of the Soviet occupation zone.

On October 5<sup>th</sup>, the German People's Council declared it had become a parliament—the provisional People's Chamber of the German Democratic Republic. On October 7<sup>th</sup>, the German People's Council as the People's Chamber proclaimed the creation of the German Democratic Republic. East Berlin became the capital of the GDR. That completed the split of Germany into two parts: the Federal Republic of Germany (FRG) and the GDR. West Berlin remained a specific enclave in the GDR territory.

*The whole course of events shows that the western powers initiated the split of Germany by trying to create West Germany and include it in*

*the western bloc. Stalin was forced to create the GDR in response to western steps. Moscow failed to stop the creation of West Germany and the split of Germany. The split of Germany symbolised the split of Europe and became one of the key elements of the Cold War.*

One of the reasons for the US leadership's intention to prevent the formation of the Soviet sphere of influence was fear about its further consolidation and expansion. In all countries of Eastern Europe, new political regimes were formed on the instruction of the Kremlin, and the countries which had been allies of Nazi Germany were put under the full control of the Soviet military administration and numerous advisers from Moscow. In the first stage, Stalin sought the formation of coalition governments where the communists played an important role, particularly in controlling the bodies of internal affairs, security services and the armed forces. After that, representatives of the non-communist opposition were expelled from the governments through fabricated judicial trials and falsified elections. By spring 1948, communist pro-Soviet regimes had been established in all eastern and southeastern European countries. These regimes were following the Stalinist totalitarian model.

At the same time, these countries faced important Soviet-like social and economic reforms: the nationalisation of large industry, the introduction of the planning system, creation of a centralised administrative system in the economy as well as an agricultural reform.

The Soviet government headed by Stalin persistently implemented its concept of the establishment and support of regimes of "people's democracy" as well as their consolidation into the united bloc. The Soviet Union signed treaties of friendship, mutual assistance and post-war co-operation. All these agreements were similar. They marked both countries' aspiration to develop and strengthen bilateral relations and to fight for boosting global peace and international security. The parties made commitments to improve bilateral economic and cultural ties in the spirit of friendship and co-operation. They agreed to participate in all international activities aimed at ensuring peace and the security of nations and to take joint measures to eliminate the threat of a renewed aggression by Germany. In case of the renewal of the German aggressive policy, another party to the treaty had to immediately provide military and other assistance to the victim of the aggression. Another important provision envisaged the parties' commitments to hold consultations on all important international issues. The foreign policy of the countries of the "people's democracy" was dependent on Moscow.

The USSR developed co-operation with countries with “people’s democracies” in various spheres: political, military, economic, and ideological. Communications between communist and workers’ parties of the Socialist bloc’s member states played an important role. The All-Union Communist Party (Bolsheviks) was the absolute leader of the global communist movement and Stalin was its acknowledged and respected head.

In spring 1947, Stalin held a conversation with the leader of Polish communists, *Wladyslaw Gomulka*, and proposed making the Polish Workers’ Party an initiator of a meeting of representatives of several communist parties in order to create a joint information agency. Gomulka agreed with the proposal. The list of the communist parties that were invited to take part in the meeting included the All-Union Communist Party (Bolsheviks), the communist parties of Bulgaria, Hungary, Poland, Romania, Czechoslovakia, Yugoslavia as well as the two most powerful western European communist parties—the Italian and French ones.

*The meeting of the representatives of nine communist parties was held from September 22<sup>nd</sup>-28<sup>th</sup>, 1947, in Poland. The secret meeting was held in the Polish resort town of Szklarska Poremba.*

The report on the international situation was made by the All-Union Communist Party’s Secretary, Andrei Zhdanov. He promoted the key idea of two opposing trends in global politics. “Two opposite political trends have emerged: at the one pole, the USSR and its allies’ policy of boosting democracy, at the other pole, the US and UK policy aimed at strengthening imperialism and suffocating democracy ... So, two blocks have been created—an imperialistic and anti-democratic one aimed at the establishment of the global dominance of US imperialism and defeating democracy and the anti-imperialistic block aimed at undermining imperialism, strengthening democracy and eliminating the remnants of fascism.”

*The global split into two opposing political blocs was proclaimed, the spirit of the Cold War was spread. All communist parties had to consistently follow the USSR and unconditionally support its foreign policy.*

Representatives of the All-Union Communist Party initiated the creation of the *Communist Information Bureau (Cominform)* of communist parties represented at the meeting. Thus, a new organisation for co-ordinating the

activities of communist parties and their mandatory consultation with the All-Union Communist Party on all international issues was created. The communist parties of the “people’s democracy” states had to support the USSR on all issues related to foreign and internal policy. *The Cominform was officially dismissed in April 1956.*

The Soviet leadership also paid significant attention to economic co-operation between the Socialist countries. In January 1949, during a meeting in Moscow, the Socialist countries decided to create the *Council for Mutual Economic Assistance (Comecon)*. Bulgaria, Hungary, Poland, Romania, the USSR and Czechoslovakia became its members. The Comecon’s official goals were to unite and co-ordinate the efforts of its members, to achieve the steady development of national economies and to accelerate economic and technological progress. An isolated market was forming in the Comecon. The Soviet organisations played a leading role in the Comecon’s activities.

In the early post-war world, *Yugoslavia* was used as an example of a state with a people’s democracy. The new regime in Yugoslavia was formed during the armed anti-fascist struggle organised and headed by the Communist Party of Yugoslavia. In spring 1947, the Yugoslavian leadership, headed by Tito, proclaimed the beginning of “building socialism”.

Abroad, the Yugoslavian leadership persistently supported Moscow in its confrontational policy towards the West. At the same time, Yugoslavia wanted to play a leading role on the Balkan Peninsula.

In January 1948, Tito sent a proposal to the Albanian leader, *Enver Hoxha*, that Yugoslavia would prepare a division of troops to be sent to Albania. This démarche was carried out without the preliminary consent of Stalin, which sparked the latter’s dissatisfaction. He insisted on mandatory consultations with Moscow on **all** international issues.

The Yugoslavian leadership seemed to have accepted the Kremlin’s recommendations but continued to follow its own policy. Belgrade tried to explore opportunities for sending the Yugoslavian troops to Albania, which was a direct violation of the Kremlin’s instructions.

Moreover, in March, Yugoslavia refused to provide the Soviet trade representative with secret data on the country’s economy. Moscow regarded these steps as a “reflection of an unfriendly attitude towards the USSR”. The Soviet leadership recalled all its civil and military experts from Yugoslavia.

Moscow pointed out that Yugoslavia's leaders "were overestimating their achievements in building socialism", pretending to play a leading role on the Balkan Peninsula. At the same time, the USSR accused Yugoslavia of ignoring the Marxist-Leninist theory and of an unfriendly attitude towards the All-Union Communist Party (Bolsheviks) and the USSR.

Later, the All-Union Communist Party (Bolsheviks) developed and stepped up accusations against the Communists of Yugoslavia. The USSR is thought to have tried to prevent any deviations from Soviet policy. In June 1948, the Information Bureau came to the conclusion that the leaders of the Communists of Yugoslavia had put themselves against other communist parties through their anti-Soviet views, and that "they chose a path of withdrawal from the united socialist front against imperialism, a path of betraying the international solidarity of working people and shifting to Nationalism". The Kremlin's accusations were unfounded and groundless.

*During 1948-1949, relations between the Communist Party of the Soviet Union and other communist parties, on the one hand, and the Communists of Yugoslavia, on the other hand, were severed.* In September 1949, Moscow denounced the Soviet-Yugoslavian Treaty of Friendship, Mutual Assistance and Post-War Co-operation. A harsh propagandist campaign was launched to target the leadership of the Communist Party of Yugoslavia. The whole campaign sought to prevent any attempts of the eastern European leaders to act independently and take decisions without the preliminary support of the Kremlin.

USSR-Yugoslavian relations, as well as those between the Communist Party of the Soviet Union and the Communists of Yugoslavia, normalised in May-June 1955, after which bilateral co-operation was re-established.

### **3. The Truman Doctrine. The "Marshall Plan"**

On March 12<sup>th</sup>, 1947, President Truman gave a speech in which he asked Congress for aid to go to Greece and Turkey and announced the *Truman Doctrine*, which implied the American commitment to assist "victims of aggression and intimidation" throughout the world. This, possibly, allowed him to imagine this involvement as a means of offering "something positive and attractive" and not just "anti-communism".

In May, the Undersecretary of State, *Dean G. Acheson*, publicly stressed the necessity to provide a group of European countries with emergency

aid. On June 5<sup>th</sup>, 1947, US State Secretary, *George C. Marshall*, outlined a programme to rebuild the European continent, which came to be known as "*the Marshall Plan*".

The Plan envisaged the stabilisation of a socio-political situation in Western Europe, the inclusion of Germany's western occupation zones into a Western bloc and the minimisation of Soviet influence in Eastern Europe. Initially, the USSR, however, was not denied formal access to aid. As it turned out later, Eastern Europe could become part of the Marshall Plan only in the case of its refusal to be economically affiliated with the Soviets.

The British Foreign Secretary, Ernest Bevin, and the French Foreign Minister, *Georges-Augustin Bidault*, suggested that they, plus the Soviet Foreign Minister, Vyacheslav M. Molotov, should gather in Paris on June 27<sup>th</sup>, 1947 to hold consultations about the Marshall Plan.

Initially, Marshall's proposal aroused Moscow's interest. In anticipation of America's potential post-war reconstruction loans, the Soviet leadership endorsed a positive reply to the proposal for a Paris meeting. At the same time, Soviet officials sounded some cautionary and suspicious notes about the situation. The Soviets strenuously resisted the economic and political rise of the United States in Europe and the creation of a Western bloc. They rejected out of hand any international forms of oversight of the Soviet and East European economies.

In Paris, the Soviet position made it impossible for the Soviet Union to approve Western recommendations concerning the co-ordination of the Old Continent's efforts to stimulate economic recovery. The Soviets dismissed out of hand any inquiry into the European nations' resources. Instead, they proposed that each state should assess its needs, with the total for Europe then being conveyed to the United States. The West deemed that unacceptable.

*On July 2<sup>nd</sup>, the Paris meeting ended with the Soviet refusal to be involved in the Marshall Plan.* The delegation's uncompromising and counterproductive stance was mainly conditional upon the country's aspiration to prevent the West, and above all the United States, from getting leverage in Eastern Europe.

On July 4<sup>th</sup>, 1947, Bevin and Bidault issued a joint statement inviting, on behalf of Great Britain and France, all European countries to take part in a meeting in Paris of the Conference on European Reconstruction to be

convened on July 12<sup>th</sup>. One was supposed to establish a special organisation tasked with developing a co-ordinated programme for European reconstruction as soon as possible.

On the morning of July 5<sup>th</sup>, the Kremlin instructed Soviet ambassadors to some European countries to visit foreign ministers and give a negative assessment of the Marshall Plan. Meanwhile, Stalin was hesitant in responding to the situation. On the one hand, he did not want to just opt out of the Paris meeting; but he wanted to stir up a scandal or storm out of the gathering. On the other hand, the temptation to get American aid could prove to be too strong for some East European nations to overcome.

Finally, all the concerns tipped the scales. On the night of July 7<sup>th</sup>-8<sup>th</sup>, Soviet ambassadors to Belgrade, Budapest, Bucharest, Warsaw, Prague, Sofia, Tirana and Helsinki were ordered to instruct the communist leaders to boycott the Marshall Plan negotiations.

Having decided to boycott the Paris negotiations scheduled for July 12<sup>th</sup>, Moscow coerced other friendly governments into adopting the same stance. However, by that time, Czechoslovakia had already accepted the invitation to the Paris conference convened by France and Great Britain.

Stalin was infuriated and demanded an immediate meeting with a Czechoslovakian delegation in Moscow and on July 9<sup>th</sup>, *Klement Gottwald*, the communist leader, and his ministers flew there. The “*vozhd*” (chief) harshly demanded that the Czechoslovakian government instantly cancel its acceptance of the Paris invitation. Following his return to Prague on July 11<sup>th</sup>, Gottwald called an emergency cabinet meeting. The cabinet voted unanimously to refuse to attend the Paris conference on the pretext of other allies, including the Soviet Union, not taking part in the initiative. *Given the Soviet approach to the Marshall Plan, one can conclude that the Kremlin made tighter control over East European nations its top foreign policy priority. As Stalin deemed the major outcome of the devastating war to be the Soviet sphere of influence, he was unwilling to make any concessions to the West.*

Paradoxical as it may seem, amid Soviet non-involvement and even sabotage, the implementation of the Marshall Plan—to a certain extent—sat well with both sides. While the USSR maintained and increased its leverage over Eastern Europe, the United States and its Marshall Plan partners got an opportunity to adopt a set of measures aimed at stabilising

the situation in Western Europe and to create a Western military and political bloc.

Meanwhile, the sixteen-nation conference that was held from July 12<sup>th</sup> to 15<sup>th</sup> in Paris decided to set up a special Committee of European Economic Co-operation to find the right balance between ends and means and to assess European needs. In April 1948, Marshall Plan recipients formed the *Organisation for European Economic Co-operation* (OEEC), which was superseded by the Organisation for Economic Co-operation and Development in 1961. However, neither in 1948 nor later did the organisation manage to elaborate a comprehensive programme of European economic development, with a French journalist aptly describing it as a group of beggars. Characteristically, after the US Congress endorsed the Foreign Assistance Act in April 1948, the Americans opted to conclude bilateral agreements with aid-recipient countries, thus dictating favourable goals for themselves.

The Marshall Plan worked in the following way. The money contributed by the US government went towards the purchase of commodities from US suppliers. The OEEC decided which country should get what, and the European Co-operation Administration (ECA) arranged for the transfer of the goods. The American supplier was paid in dollars, which were credited against the appropriated ERP funds. The European recipient had to pay for the goods in local currency, which was then deposited by the government in a counterpart fund. For each dollar in aid received, as a top administrator later explained, “the recipient had to contribute an equal amount in local currency, 95% would be used for Marshall Plan programmes, and 5% (the counterpart of the dollars provided) would be used by the US government...to finance administrative and other miscellaneous costs”. In total, the sum allotted under the Marshall Plan from April 1948 to December 1951 amounted to about \$12.4 billion, of which Great Britain received \$2.8 billion and France was given \$2.5 billion.

The Marshall Plan contributed to stabilising and entrenching European capitalism. The supplied goods and funding under the Plan healed the economic wounds of Western Europe inflicted by the war. It also provided the participant states with some of the goods they could not afford given the shortage of American currency. The plan relieved the crisis in the financial and trading system allowing Western Europe to weather it. American aid helped the ruling European elite to defuse the acute socio-political crisis. For a good reason, food, consumer goods, and fertilisers

constituted 29% of the US shipments. The Marshall Plan was conducive to stronger multilateral economic ties and new ways of ensuring security for the United States and capitalist Europe.

*The Marshall Plan and the openly adverse reaction of Soviet leaders marked a significant milestone on the way to the division of Europe into spheres of influence, with divided Europe becoming part of the bipolar world. It created the prerequisites for a political union comprising the recipients and the donor.*

In early 1948, the leaders of Great Britain and France were untiring champions of a military treaty between the United States and Western Europe and the continued presence of US troops on the Old Continent. However, Washington preferred to start with unifying Western Europe militarily and politically.

The ascent of communists to power in Czechoslovakia in February 1948 gave impetus to the efforts. The fear of communism was mounting in the West. On March 4<sup>th</sup>, representatives of the United Kingdom, France, Belgium, the Netherlands and Luxembourg met in Brussels to negotiate the *Western European Union*, a regional military and political alliance with some economic commitments made as well.

On March 17<sup>th</sup>, 1948, the five states signed the *Treaty of Brussels*, the Treaty of Economic, Social and Cultural Collaboration and Collective Self-Defence. The signatories firmly committed themselves to co-ordinating their efforts to lay the solid basis for European economic recovery in Western Europe, as well as to grant assistance to each other to ensure peace and international security and prevent any aggressive policy, in particular, a German one.

Most importantly, one of the commitments under the Treaty obliged its participants to afford any contracting party all the military and other aid and assistance in their power should it be the object of an armed attack in Europe. The Treaty of Brussels was the first multilateral agreement in the West, which bound the states militarily to such an extent. Although the document focused on economic, social, and cultural co-operation, the provisions containing the obligation to establish a military and political alliance of the five states were the most important ones.

To reconcile differences over political issues, the Treaty of Brussels envisaged the establishment of a Consultative Council comprising five foreign ministers to be convened at least once every three months. British