

Yugoslavia

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

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

Sovietisation and the 'peoples' democracies'

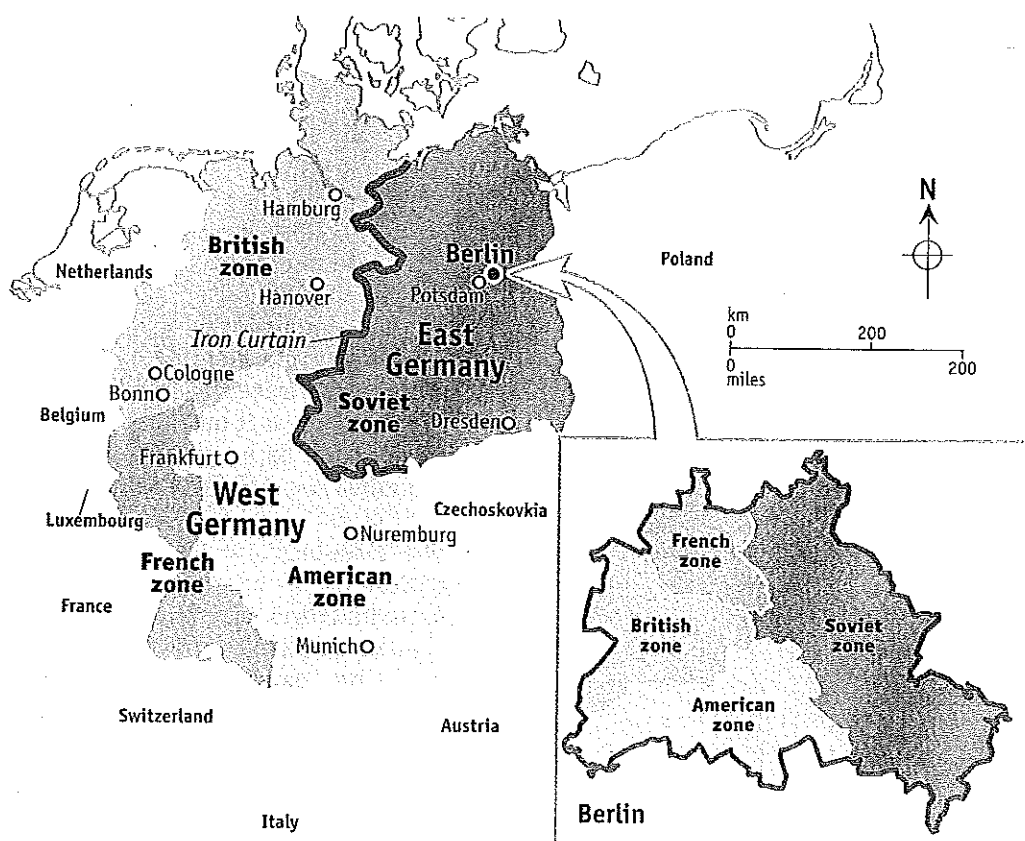
With Cominform established, the Soviet Union pushed hard for 'peoples' democracies' to be established in Eastern Europe, with planned economies run along the lines of the Soviet model. As local communist party leaders were increasingly replaced with those selected by Stalin himself, Soviet control over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

Five Ds Demilitarisation, de-Nazification, democratisation, de-industrialism and decentralisation.

Germany and the problem of reparations

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

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



The division of Germany and Berlin after the Second World War

Lucius Clay (1897–1978)

General Clay was commander of US forces in Europe, and military governor of the US zone of Germany, 1947–49. He was best known for his organisation of the Berlin Airlift.



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

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

The creation of Bizonia and Trizonia

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

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

The USSR began to see these steps as an attempt to build up the economy of a Western Germany (with 75% of the German population and the important industrial regions), which might become a military threat in the future as it had been in the past – especially if it were allied to what the Soviet Union perceived as an increasingly hostile USA. During November and December 1947, the Council of Foreign Ministers met in London, and Britain and the US agreed on one last attempt to revive the economy of a unified Germany. However, as they had no intention of agreeing to Soviet demands for reparations, and they knew

Fact

The USSR's rejection of the plans discussed by the West had been expected and indeed hoped for by Western nations. This outcome (described as a 'successful failure' by German historian Wilfried Loth) enabled the West to continue its plans to establish Bizonia.

Fact

Stalin feared these moves were part of a plan to divide Germany permanently into two halves, and to use the industrial strength of the Ruhr as a base for actions against the USSR.



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

The Berlin Blockade was the first open Cold War conflict between the two sides. However, this crisis did not develop into a 'hot war'. Instead, the Allied response was the massive Berlin Airlift.

the USSR would not approve the plans without reparations, the talks were expected to fail. They agreed that, in this event, they would develop Bizonia and introduce currency reform as preliminary steps to the establishment of a separate West German state. On 7 June 1948, France agreed to join its zone to Bizonia, to form Trizonia. On 18 June, without consulting the Soviet Union, the West introduced a new currency, the Deutschmark, to replace the Reichsmark. On 23 June, this was extended to West Berlin.

The 1948 Crisis in Berlin – the Berlin Blockade

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

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



West Berliners cheering an Allied plane bringing in supplies during the Berlin Airlift

Länder This is the name for the separate states that collectively made up the Federal Republic of Germany.

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

At first, the USSR was still reluctant to set up a separate East German state. It hoped to avoid a permanent division and instead wanted to see the emergence of a neutral Germany, independent of a US-dominated Western Europe. However, on 7 October, the USSR finally accepted the division of Germany and

announced the transformation of its eastern zone into a new state, called the German Democratic Republic (GDR). As with the Allied High Commission in West Germany, the Soviet Control Commission in East Germany retained considerable powers of supervision over the area.

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

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

US perceptions of the Soviet threat

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

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

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

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

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

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

Question

Why did a crisis break out over Germany in 1948?

Fact

Only a few contemporaries – such as General Clay and the historian Isaac Deutscher – publicly questioned the reality of the perceived military threat from the Soviet Union. These two men saw the USSR as militarily, as well as economically, weak.