

Series: What Is NATO?

How the British Empire wrecked Russian-American cooperation and launched the Cold War (continued)

The first part of this article in the Australian Almanac series "What Is NATO?" appeared in the AAS of 20 July 2022.

Altering American opinions

Col. William Stephenson, head of MI6's British Security Coordination (BSC), ran propaganda and covert operations in the USA during World War II, aimed at making the anti-British, anti-colonial Americans more amicable towards London and its top priority—perpetuating the British Empire. The BSC sent operatives like the philosopher Isaiah Berlin and Ian Fleming, future author of the James Bond novels, to the USA both to spy and to change public opinion. Some members of the network reported directly to Churchill, others to Stephenson and MI6 chief Sir Stewart Menzies. Some targeted enemies of the British in President Franklin Roosevelt (FDR)'s inner circle, such as Vice President Henry Wallace, as reported in earlier Almanacs of this series (25 May and 1 June).

Menzies's personal agent in Washington, Rex Benson, was the son of a merchant banker in the King's inner circle. He was confronted with American anti-British sentiment on a visit to a US Officer School in Charlottesville, Virginia towards the end of the war. There, Benson found that "the curriculum was almost entirely on anti-colonialism and contained nothing about enemy ideologies. Benson was particularly incensed when he also discovered that many of the lecturers 'openly talk anti-British' and when one of the lecturers began by stating (unaware that there were two British colonels in the room) 'of course, I take it most of you here are anti-British.'"¹

There were, however, people sympathetic or even fanatically favourable to British goals throughout the US establishment, among them the Prescott Bush family, the Rockefellers, Morgans, and Harrimans, other Wall Street insiders like Robert Lovett and John J. McCloy, and Secretary of War Henry Stimson. The Roosevelt Administration had tamped down the inclinations of these people, but an anglophile and anti-Soviet clique took shape in the State Department nonetheless. It included Under Secretary of State Dean Acheson, and diplomats Charles "Chip" Bohlen and George Kennan at the Embassy in Moscow. Authors Walter Isaacson and Evan Thomas identify Lovett, Acheson, Averell Harriman, John J. McCloy, Bohlen and Kennan as the core group for US foreign policy after the war.²

While Roosevelt was President, his aide and representative Harry Hopkins had ridden herd on these Wall Street men, preventing them from sabotaging the war-time alliance with Russia. But when FDR had been laid to rest and the war ended, they took the offensive.

After Churchill's "Iron Curtain" speech in Fulton, Missouri (Australian Almanac, 15 June), which set forth the terms of an Anglo-American "special relationship" centred upon a mili-

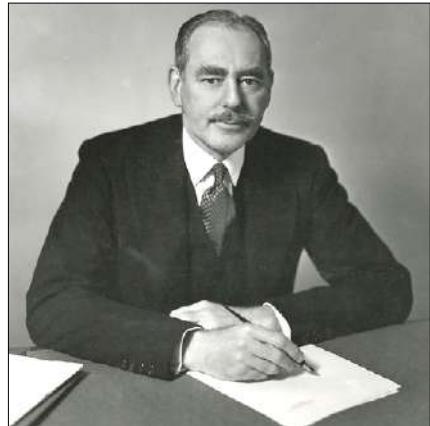
tary alliance, the former PM made the rounds in Washington, meeting leading anglophiles Harriman and Acheson. The State Department gave a private reception in his honour. Harriman began rounding up support for Churchill's "Iron Curtain" declaration. Acheson held a dinner party the night of the speech, to which he invited columnist Walter Lippmann; former VP Wallace, FDR's close ally who was now secretary of commerce; and Bohlen from the State Department. Acheson defended Churchill: "It was time to stand firm with the Soviets. Bohlen belittled the Soviets' fear of encirclement; they were the ones on the offensive, not the United States."

Not everyone was convinced. Wallace warned that Churchill's invective could lead to war. Lippmann concurred, writing in his column the next day, "The line of British imperial interest and the line of American vital interest are not to be regarded as identical." But Bohlen enlisted Kennan, serving in Moscow, to the Churchill policy. Kennan cabled back in agreement with Churchill, attacking the Soviets as hopelessly paranoid, and urged a British-American alliance.

Acheson, who would become secretary of state in 1949, emerged as the key figure in turning the USA into a Russiabaiting ally of the British Empire. Brought up in a US-based English family that flaunted its loyalty to the Crown, Acheson was a Democrat, but of the Wall Street variety. He had served as under secretary of the Treasury during FDR's first term, but opposed Roosevelt on the issue of taking the dollar off the London-controlled gold standard, continuance of which would have blocked the issuance of credits to finance FDR's New Deal infrastructure projects. In league with Wall Street figures James Warburg and John J. McCloy against the President, he had been forced out of the government by FDR in 1933.

Acheson had returned to the administration in 1941 as assistant secretary of state, and organised aid for Great Britain through the Lend-Lease program. FDR needed a bona fide anglophile to run Lend-Lease, and there was no one more qualified than Acheson.

Typical of the post-war change was Acheson's negotiation of a loan package for Britain in July 1946, which met with serious opposition in Congress. He got it through the House by touting the "system of free enterprise that was shared by both nations". In the Senate, Acheson used anti-communist rhetoric for the first time. The bill passed, angering the Soviets, who had been promised the next US loan to aid post-war reconstruction.



The anglophile Dean Acheson, as under secretary of state, dictated to President Truman the first moves of the Cold War. Photo: State Dept.

1. Anthony Cave Brown, *The Secret Servant: The Life of Sir Stewart Menzies, Churchill's Spymaster* (London: Penguin Group, 1988).

2. Walter Isaacson, Evan Thomas, *The Wise Men: Six Friends and the World They Made* (NY: Simon and Schuster, 1986). Remarks and memos by Truman and Acheson, not separately footnoted, are cited from this book.

1946: E. Mediterranean and SW Asia

When the Cold War got fully under way in 1948-49 and NATO was founded, Germany and Eastern Europe would be at the centre of attention, but its 1946-47 launch phase focused greatly on the Near East.

Before the war even ended, Churchill had gone to Moscow in October 1944 for a one-on-one with Soviet leader Joseph Stalin, without Roosevelt. There he began to make geopolitical arrangements for the post-war order. In a famous bilateral “percentage deal”, Churchill and Stalin agreed that Russia would have 90 per cent control of Romania and Bulgaria, in return for Moscow’s acceptance of Britain’s 90 per cent control in Greece. There would be joint Soviet and British/American control over Hungary and Yugoslavia. Italy, where Churchill hoped for restoration of the monarchy (an option defeated by referendum), was not mentioned.

Foreign Office Permanent Under Secretary Sir Orme Sargent’s July 1945 memo “Stocktaking after VE Day” ([part 1 of this article](#), 20 July) singled out the importance of Italy, Turkey, and Greece as gateways to the historical British Empire. Britain needed strong relations with those three, for the sake of free passage through Mediterranean sea lanes and the Suez Canal, to its imperial domains in the Middle East, Egypt, and India ([map, page III](#)).

Immediately after Churchill’s bombshell “Iron Curtain” speech of 5 March 1946, President Truman deployed the battleship USS *Missouri* to the eastern Mediterranean, as a signal to the Soviets, who were seeking trusteeship over part of Libya and access to the Mediterranean from the Black Sea through the Turkish Straits (the Dardanelles, Sea of Marmara, and Bosphorus).

Also in March, a harbinger of the conflicts soon to follow appeared in Iran. The second Almanac in this series ([25 May](#)) reported on the plans of Roosevelt and his personal representative, Gen. Patrick Hurley—plans that infuriated Churchill—to free Iran from British imperialism and enable it to develop economically. When FDR died, this perspective disappeared. London, assuming the Anglo-Iranian Oil Company would remain overlord of Iran’s oilfields, reverted to geopolitical confrontation with Russia in Iran; that conflict dated from long before the Soviet Union existed. During the war the UK and USSR had jointly invaded Iran from the south and the north, respectively, to expel German forces. Aware that the British had no intention of leaving, the Soviets now refused to withdraw from northern Iran, ruled at the time by the Azerbaijani Democratic Party, which was ethnically and politically connected with leaders of the Azerbaijan Republic across the border, within the Soviet Union.

The northern Iran crisis was resolved under United Nations Resolution No. 2, and Russia withdrew its forces, but not before Truman had revealed his state of mind: “*This may lead to war*, and I must have a man in London who knows the British, a man I can trust” (emphasis added), he told Harriman—and named the latter ambassador to the UK.

A new crisis arose in August 1946, when the Soviet Union pressed for establishment of a joint Soviet-Turkish defence system on the Turkish Straits, rather than the 1936 Montreux Convention, which had given control of the Straits solely to Turkey. It was a legitimate demand, in view of attacks on Russia by Nazi Germany and fascist Italy during the war, using this route, which Turkey had not impeded.

The United States entered the fray on the side of Turkey and the British Empire. At an emergency meeting at the State Department with military and cabinet officials, Acheson framed the Soviet request as part of a pattern of expansionism that must be checked before it spilled into the Aegean, the Strait of Gibraltar, or the Red Sea. In an 8 August telegram to Secretary of State James Byrnes, then abroad, Acheson warned that “the So-

viet Union will use these forces [on the Straits] to obtain control over Turkey.” In a memo for the malleable Truman, he proposed to challenge the Russians, so “we will learn whether the Soviet policy includes an affirmative provision to go to war now.”

On 15 August the war council met with Truman. Acheson began, “The only thing that will deter the Russians will be the conviction that the US is prepared, if necessary, to meet aggression with force of arms.” Truman replied, “We might as well find out ... whether the Russians are bent on world conquest” and said he was prepared to “go all the way to the end” to do so.

Truman dispatched the new aircraft carrier USS *Franklin D. Roosevelt* and its task force to join the *Missouri* in the eastern Mediterranean. Realising that the Truman regime might well use its atomic weapon, Stalin withdrew his demand.

On 12 September Commerce Secretary Wallace spoke to a rally held in New York City’s Madison Square Garden by two citizens’ groups. He accused the administration of hypocrisy for erecting military bases all over Western Europe, yet attacking the Russians for doing the same in Eastern Europe. He criticised the get-tough-with-Russia policy and argued for legitimate spheres of influence, warning that “the tougher we get, the tougher the Russians will get.”

In the ensuing firestorm, Acheson and others demanded that Wallace resign. Bowing to the outcry, Wallace quit the Commerce Department on 20 September. For his replacement, Truman again turned to Harriman, who accepted the job at Churchill’s urging, after only five months in London.

Belligerent policy memos

The escalation of challenges to the Soviet Union throughout 1946 was punctuated by bellicose UK government memoranda. Christopher Warner, the head of the Northern Department of the Foreign Office, whose Russia Committee was reported in [last week’s article](#), wrote a Memorandum dated 2 April, “The Soviet Campaign against This Country and Our Response to It.” He asserted that Moscow was returning to “pure Marx-Lenin-Stalinism” and was falsely claiming the existence of external dangers to the USSR. Moreover, Warner objected to the Soviet “concentration upon building up [its] industrial and military strength”, concluding that “Russian aggressiveness threatens British interests all over the world.”³

Another Foreign Office Strategy Paper, dated October 1946, was “The Strategic Aspect of British Foreign Policy”. It continued Permanent Under Secretary Sargent’s policy outline from July 1945, reported last week, for manipulating the USA and Russia into becoming adversaries, especially by hitching the United States to the British Empire: “[I]t is ... assumed [in this paper] that the United States will continue its present policy of active intervention in all international questions and of the exertion of its influence in directions which coincide by and large with British interests. But it must be recognised that this assumption is not necessarily valid. ... [W]ithout United States assistance the Commonwealth would be unable to maintain a full-scale war with modern weapons.” The memo went on to outline British policy and preparations for war, detailing five scenarios for war to break out. All depended on the British persuading the United States to embrace the Empire as its ally.

A British military Chiefs of Staff paper from early 1946 outlined an even more aggressive policy. Emphasising the need to hold onto the Middle East, the gateway to Africa and India, the Chiefs recommended confronting the Soviets at every turn. They opposed any pullback of the British imperial

3. Julian Lewis, *Changing Direction, British Military Planning for Post War Strategic Defense 1942-47* (London: Sherwood Press, 1988) is the source of quotations from British policy memos in this section.

military deployment and demanded that Britain achieve and maintain air and naval superiority over the USSR. The military report was interspersed with references to the atomic bomb.

Field Marshal Sir Bernard Montgomery (commander of British ground forces in Europe during the war), meanwhile, said that "an immediate attack on vital Russian points from the Middle East was the best defence" and stressed that it was imperative to recruit the United States as an ally.

British detonate Greek crisis, rope in USA

Wallace's ouster and the anti-Soviet shift under Truman and Acheson told the British that the time had come to fully recruit the United States to its imperial worldview. This would be accomplished by a tried-and-true British method: create a crisis.

The chosen arena was Greece and Turkey. Civil war had roiled Greece throughout World War II, as communist-led guerrilla forces worked with republicans to defeat the fascist occupiers and their Greek collaborators. Churchill had been adamant, that no communist-allied government in Greece was to be tolerated. In line with his 1944 "percentages" understanding with Stalin, by which Great Britain was the main foreign controlling power in Greece, a plebiscite was held 1 September 1946 under British supervision. The King was restored with 69 per cent of the vote, and the right-wing Alignment of Nationalists was to run the government. The issue was whether the monarchist government could survive, with Greece bankrupt and civil war raging. Until then, the United States had opposed restoration of the monarchy and supported formation of a republican government.

These events in Greece coincided with the escalation of tensions around Turkey, its neighbour, described above. While the US military's Joint Chiefs of Staff issued a memo on the

strategic importance of the Turkish Straits to the USA, a War Department paper titled "US Security Interests in Greece" underscored the importance of Greece to US policy and called for substantial economic aid.

On 1 December 1946 UK Prime Minister Attlee tried to stop the imperial plans for Greece and Turkey. He shocked Foreign Secretary Ernest Bevin with a letter that said aid to Greece would overly drain British resources. Attlee thought the "strategic importance of communications through the Mediterranean in terms of modern warfare is overrated by our military advisers... The Middle East is only an outpost position. I am beginning to doubt whether the Greek game is worth the candle."

Even if the Americans gave economic assistance to Greece, Britain should bow out, wrote Attlee. He criticised the Chiefs and the Foreign Office for "propping up 'essentially reactionary' governments which 'afford excellent soil for the sowing of communist seed' with the result that Britain was supporting 'reactionary and vested interests against reform and revolution.' He went on to question the truth of their analysis of the Soviet Union and its 'desire' for world revolution. Lastly, he called for serious negotiations with the Russians."⁴

The foreign policy apparatus immediately attacked Attlee. British aid to Greece was set to expire 31 March 1947—the perfect moment to bring in the Americans. Bevin attacked Attlee for "appeasement", invoking the shadow of the UK's own Munich pact with Hitler in 1938. Viscount Montgomery, who in June had become chief of the Imperial General Staff, announced that he and two other members of the Staff would resign rather than support Attlee. The PM capitulated.

4. Stephen Dorrell, *M16, Inside the Covert World of Her Majesty's Secret Intelligence Service* (New York: The Free Press, 2000).

Post-war occupation, July 1945



For the Allied powers (France, UK, USA, USSR), colours extend to foreign territories held at the end of World War II. Stripes show either joint occupation (e.g., by British and Americans in part of Iran) or independent countries with foreign troops present (e.g., Soviet forces in Poland). Lines demarcat-

ing unlabeled areas within countries are former borders of defeated powers, such as Germany's old border within the new Poland. The Turkish Straits are at the western (left) end of Turkey. The "National Liberation Front" was the Greek anti-fascist resistance. Map: OmniaLtas/AAS

How the British Empire wrecked Russian-American cooperation

In a new policy memorandum in January 1947, dubbed "Stocktaking II", the Foreign Office analysed the USA's "subjective" change and the potential for action it created. The memo concluded, "Whereas initially the Americans 'would try to avoid committing themselves' and pursue a policy of mediation, when confronted by the prospect of an Anglo-Soviet conflict, they now appeared to accept the likelihood of a conflict between themselves and the Russians as more likely. As a result, they are consciously or unconsciously tending to claim leadership of any forces in the world which are willing to stand up to excessive Soviet Pretensions."⁵

On 29 January 1947, Chancellor of the Exchequer Hugh Dalton announced he would cancel all aid to Greece at the end of March. The British economy was in dire straits, and the loan from the United States was nearly exhausted. On 18 February the British cabinet made its decision to pull out of Greece and Turkey within six weeks. Three days later, they notified the US State Department.

Francis Williams, Attlee's press secretary and the biographer of both Attlee and Bevin, wrote of Bevin, "He judged that this moment and this issue [for pulling the USA in] had arrived in Greece in February, 1947. ... Now Bevin shrewdly assessing in his mind the current of American opinion and the cumulative effect upon it of Russian policy decided that the time had come to force the American administration to a major policy decision. It was a declaration deliberately designed to bring America fully into the defence of Europe."⁶

The British government's 21 February communication to the State Department requested that the USA assume responsibility for Greece and Turkey, dispense nearly \$500 million in aid to them, and deploy a garrison of 40,000 troops. The UK would pull out of Greece and Turkey at the end of March.

Would the United States join the Empire and break with its war-time and historical ally, Russia?

Birth of the 'Truman Doctrine'

Dean Acheson was ready. On 15 February he had told journalist Louis Fisher, "What we must do is not allow ourselves to be set back on our heels by the Russians' offensive strategy." On 20 February he strengthened a memo drafted by another State Department anti-Soviet hawk, a call for economic and military aid to Greece that anticipated the British demarche. The memo concluded, "Unless urgent and immediate support is given, it seems probable that the Greek government will be overthrown and a totalitarian regime of the extreme left will come to power."

Upon receiving the diplomatic pouch with the British cabinet's message the following day, Acheson said it "hit him as a shock". He recognised that the Pax Britannica was on the wane and saw a moment for the emergence of a Pax Americana, both to save the British and to supplant them as the new empire. This was what the British had hoped for: to incorporate the Americans into their empire, and manipulate them into thinking they had arrived at that decision themselves!

No master of understatement, Acheson said that "his country was faced with 'a task in some ways more formidable than the one described in the first chapter of Genesis.' This was the mo-

ment of Creation, and his job was to restore order from chaos."

Under Acheson's direction, the State Department accepted the British *fait accompli*. It drafted a comprehensive military and economic aid package for Greece and Turkey, two key strategic nations for defending the British Empire.

The policy shift still had to be sold to a sceptical Congress and nation. Truman summoned Congressional leaders 27 February for a "crisis" briefing. Acheson conjured up an apocalyptic vision: "The situation facing the world was only comparable to that of the Roman Empire battling Carthage. 'There was an unbridgeable ideological chasm between the United States and the Soviet Union; the choice was between 'democracy and individual liberty and dictatorship and absolute conformity.' The Soviets were 'aggressive and expanding'. If Greece fell, 'like apples in a barrel infected by one rotten', then Iran, Asia Minor, Egypt, even Italy and France would fall. Before long, two-thirds of the world's population and three-quarters of its surface would be Red. This was not an issue of 'pulling British chestnuts out of the fire', but of preserving the security of the United States, of Democracy itself."

Acheson and his group churned out a speech for Truman and a brief for the Congress, modestly titled the "Public Information Program on United States Aid to Greece", which came to be known as the Truman Doctrine. The key phrase, repeated in both, defined a line leading directly to the Korean War, the Vietnam War, and beyond: "It is the policy of the United States to give support to free peoples who are attempting to resist subjugation from armed minorities or from outside forces." A foreign diplomat observed that the foreign aid package "was made to seem hardly less than a declaration of war against the Soviet Union."

A fight ensued over the scope of Truman's speech and its charges against the Soviet Union. Kennan, Lippmann, and others would not support something they believed might indeed provoke World War III. On the hawkish side, Acheson was joined by Clark Clifford, Truman's special counsel and Acheson's friend, who told the President that the speech had to be framed "as a contest between the forces of darkness and light". Truman, an easy sell, toughened it even more, portraying the new policy as an answer to "communist tyranny".

On 12 March Truman spoke to a Joint Session of Congress, unveiling the aid package for Greece and Turkey, and effectively ending the wartime alliance with the USSR. The legislators' response was guarded. It would still require arm-twisting to get Congressional approval; the key was to ensure that Sen. Arthur Vandenberg, a Michigan Republican and former foreign policy isolationist, delivered the Senate. Author Stephen Dorris summarises the evidence that Stephenson's BSC deployed three female operatives with impeccable British intelligence credentials into Vandenberg's milieu, one of them a lady expert in "singling out top men and then seducing them"; they became the senator's companions while legislation supporting the Truman Doctrine was in train.

During the weeks when Congress was debating, Truman further stoked the fires of anti-communism by authorising the Employee Loyalty Program, which required government workers to undergo loyalty tests. He thus triggered the Red Scare hysteria that would soon envelop the nation.

After nearly two years of relentless campaigning, escalation of every dispute that arose, and behind-the-scenes political power plays by London and its Wall Street allies in the US government, Congress adopted the Truman Doctrine in May 1947. The Cold War was official.

5. Peter David Poole, "British Foreign Policy, the United States, and Europe, 1945-50", dissertation submitted to the U. of Birmingham, 2011.
6. Robert Frazier, *Anglo-American Relations with Greece: The Coming of the Cold War, 1942-47* (New York: St. Martin's Press, 1991).