

# PART I

## THE EARLY YEARS: EMBRACING A NEW ROLE, 1945–1960

Part I of *American Adventurism Abroad* covers the 15 years of American diplomacy after its ascendance to paramountcy in the periphery of the global capitalist world following the dropping of two atomic bombs to end World War II in August 1945. It introduces presidents Harry S. Truman and Dwight D. Eisenhower, and the two foreign policy “doctrines” that became associated with their names, as the United States moved to replace the UK and France as hegemon of the international capitalist system in such places as Greece, Iran, Suez, and Lebanon.

It describes how the United States moved from a political-economic form of containment of the USSR in Europe to a more militarized type of containment of communism around the world. It raises the first questions as to whether the containment policy was used as a cover for a more robust replacement of the imperialist nations of Western Europe as sustainer of world capitalism in distant places beyond the main arena of the Cold War in Central Europe.

Chapter 1 analyzes three cases under President Truman (1945–53) with an eye to showing that the United States had designs on an expanded military presence on the periphery of Europe as early as 1943 (Italy), and laid the groundwork for a continuation of its imperial presence in Asia by granting a neo-colonial form of independence to the Philippines in 1946. The civil war in Greece provided the rationale for linking these two, and future, expansions

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under an ideological umbrella that virtually stifled all discussion of the matter in domestic politics for a generation.

Chapter 2 elucidates three episodes in the Eisenhower Administration (1953–61), two of which (Iran and Lebanon) bring the US into a new region, the Middle East, as successor hegemon in two areas of historic British and French imperialism. The third case (Guatemala) shows the United States consolidating its traditional role as dominant power in Latin America, but now under the new rubric of anti-communism.

By the end of 1960, the United States had established for itself a global presence, with a string of multilateral military organizations (OAS, NATO, CENTO, and SEATO), as well as a number of smaller and bilateral alliances, which resulted in a circling of the “Sino-Soviet bloc” with American military bases from Canada, Iceland, and Norway in the north Atlantic, around the Eur-Asian landmass through Turkey, Pakistan, and Thailand, out into the off-shore Pacific island states of the Philippines and Japan. This was indeed a new role for a country that, just 15 years earlier, had finished a war into which it had been reluctantly drawn, and from which it had briefly demobilized.

Chapters 1 and 2 cover 6 years, 2 presidencies, and 6 cases, and provide introductions to four of the five regions of the world into which this book is organized.

# CHAPTER ONE

## FROM WORLD WAR II TO THE COLD WAR: THE TRUMAN YEARS, 1945–52

### **Introduction**

President Harry S. Truman presided over the shifting of American foreign policy from World War II to the Cold War. After atomic-annihilating 200,000 civilians and obliterating two Japanese cities to bring a quick end to the war in 1945, the United States stood virtually unchallenged in global political paramountcy (Alperovitz, 1965). The other alleged “winners” of World War II – the UK, France, the USSR, and China – were physically devastated from five, six, or seven (in the case of China) years of war fought on their territories. The US military and industrial might was virtually unscathed, and practically supreme vis-à-vis any putative competitors. Indeed, as a result of its wartime mobilization, America was also in an absolutely stronger power position than when it entered the world war (late) less than four years earlier in 1941.

Within two years, however, a worthy foe emerged to challenge any thoughts of America’s succeeding to the regional hegemonic roles of the Great Powers that dominated international politics before World War II. The clash would come from the USSR, and would be about influence in the former German-controlled areas of Eastern Europe. As part of the wartime division of labor against the Nazis, the Soviet Union (at great cost of blood and treasure: 20 million lives) drove the Germans not only out of Russia, but also out of Poland, Hungary, Czechoslovakia, and other lands in Central

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Europe. At the end of the war, the USSR also controlled the eastern quarter of Germany.

The United States objected to the Soviet Union imposing its economic and political systems (of socialism and one-party communism) on these liberated/conquered territories, but was not in any military position to do much about it. US armies remained in the liberated/conquered lands of Britain, France, the Benelux countries and the western three-quarters of Germany, where America's economic and political forms of governance (capitalism and democracy) were imposed (or restored). By 1946, an "Iron Curtain" (to quote the rejected ex-Prime Minister of Britain, Winston Churchill) had been drawn down the center of Europe.

It is in the outlying areas of Southern Europe that the first case studies of *American Adventurism Abroad* will begin. After 1946, the aim of US foreign policy was to allow no successful examples of alternative economic-political systems to exist beyond the Soviet-controlled areas of Central and Eastern Europe (Bills, 1990; Woods and Jones, 2001). As successor to Britain as hegemon of the global capitalist system (soon to be known as the "free world"), the United States under Truman would become involved in war in Greece and elections in Italy. Pursuant to the policy under which it took these actions, America also became engaged in a counter-insurgency in the Philippines. By the start of the next decade it was on the verge of war with China on the mainland of Asia.

To accomplish this massive turnaround in diplomatic orientation from the isolationist country that had to be literally bombed into participating in World War II, the United States would, after 1947, reorganize its governmental structure into a vast national security state (Hogan, 1998; Leffler, 1992; Yergin, 1997). In addition to integrating its army, navy, and air force into one fighting force under a single Department of "Defense," a special Atomic Energy Agency was created to manage its new nuclear-weapons capacity, and a Central Intelligence Agency was formed to carry out "other" (i.e., covert) activities for which the President wanted "deniability." The rubric under which this historic expansion of American government and diplomacy occurred was the "Truman Doctrine," the first of six presidential doctrines under which the United States over the next 50 years would spread its global reach from Southern Europe and offshore Asia to all corners of the earth.

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### Introduction to the European Region

The case studies in *American Adventurism Abroad* will begin in Europe, the focal point of the Cold War, where the metaphorical “Iron Curtain” divided the continent into its Eastern and Western ideologies and Soviet and American spheres. But in keeping with this book’s focus on the periphery of the global capitalist system, it will not cover the meeting of the US and USSR armies in Central Europe at the end of World War II, nor the subsequent division of Germany and Austria into their respective capitalist and communist sectors. Rather, chapter 1 will begin with case studies of Greece and Italy, two states on the outer edges of the European land mass.

Greece and Italy are Mediterranean countries in Southern Europe, not on the fault line between the American and Soviet military deployments in either World War II or the Cold War. But it was there that United States took the first actions that laid down its marker as successor to the UK and France as hegemon of the capitalist world, and protector of the international economic system.

As early as July 10, 1943, with the landing of American troops in Italy, the United States began reconstructing the lands it conquered in World War II in its own image without consulting either of its main allies (the USSR or the UK) in the war against Germany, Italy, and Japan. The scene in the Academy Award-winning movie *Patton* (1970), showing the eponymous US general parading troops and beating UK Field Marshal Bernard Montgomery into Sicily, captures well the spirit of the time.

By 1947, the British, thoroughly devastated despite their “victory” in World War II, and on the verge of losing an empire “upon which the sun had not set” in more than 100 years, were virtually begging the US to take over their role as hegemon in Greece. It was here that the United States seized the opportunity to enunciate the rationale for its growing presence throughout the globe. It is also here, in Greece, that this study of America’s adventures in the global periphery begins with the first of its case studies.

#### CASE 1: GREECE, 1947–9

The US replacement of the United Kingdom as hegemon of the global capitalist system began in 1947 when Britain *invited* the United

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States to assume its imperial role in Greece. The UK had been the dominant power there since 1821 when it acted as midwife to that tiny nation's secession from the Ottoman Empire. For the next 126 years, the respective royal families intermarried and the UK controlled its client state's politics and presided over a strategic outpost of the British Empire in the eastern Mediterranean.

This cozy situation came to an end in 1941 when Hitler invaded Greece, provoking a civil war between collaborating fascist Greeks, pro-UK monarchist Greeks (whose leadership largely fled the country with the UK), and communist Greeks (who, in cooperation with Tito's partisans in neighboring Yugoslavia, led the armed resistance to the Nazis). By October 1944, this National Peoples Liberation Army (ELAS) had driven out the Germans, and its political wing, the National Liberation Front (EAM), was poised to take control of the country. At this point the UK returned and, pursuant to an agreement with its ally the USSR, was given a free hand to move against the Greek communists and to re-establish a pro-British government in this theater of World War II. In return, the UK ceded similar rights of wartime control to the Soviet Union in Bulgaria and Romania (Fleming, 1961: 183–5; Smith, 1950: 225–30).

In the fall of 1946, after the UK had installed a hard-line anti-communist government in 1945, the Greek civil war restarted – only now there was a fourth party. In addition to the fascists, monarchists, and communists, there were some “freedom-loving democrats” who wanted a republic without the trappings of the crown. By February 1947, with these various forces fighting amongst themselves, the Greek communists, with their experienced ELAS armed wing, were once again on the verge of taking control and overthrowing the pro-UK regime. Thoroughly devastated by the war, and under a new Labour administration no longer committed to empire, the British were in no position to intervene to protect the government they had installed during the war years. They came to the US to plea for a bailout.

President Harry S. Truman realized it would be difficult to get support for a new foreign adventure fewer than two years after the end of World War II, and in the midst of a major demobilization from that war. Thus, he was advised to “scare the hell” out of the country to get it to believe that it faced a threat comparable to Hitler's Germany (Kofsky, 1993; McWilliams and Piotrowski, 2001: 47 n9). He found this threat in the “communist menace”

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which by this time, in the form of the Red Army in Eastern Europe, had installed pro-Soviet governments in the lands it had liberated from Germany in Poland, Hungary, Bulgaria, and Romania (Czechoslovakia did not become fully communist until 1948).

In a speech to a joint session of Congress on March 12, 1947, Truman provided the rationale not only for an immediate American intervention in the Greek civil war, but also for a generation of fighting communism throughout the world. According to this Truman Doctrine:

[N]early every nation must choose between two alternative ways of life. . . . One way of life is based upon the will of the majority, and is distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political repression. The second way of life is based upon the will of a minority forcibly imposed upon the majority. It relies upon terror and oppression, a controlled press and radio, fixed elections, and the suppression of personal freedoms.

I believe it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures. I believe that we must assist free people to work out their destinies in their own ways. (Truman, 1947: 2)

In hindsight, this “doctrine,” which dominated US diplomacy for the next generation, deserves some deconstruction. First of all, designating this departure from traditional American foreign policy as a “doctrine” was designed to give it a degree of mathematical, or theological, certitude that it did not deserve. The situation in Greece (not to mention “nearly every” other nation in the world) was more muddled than Truman presented. As already noted, there were not just two sides in the Greek civil war, but three or four. And while it is true that the USSR would have reaped some geopolitical benefit from a communist victory in Greece, Truman felt he had to oversimplify the situation for domestic political purposes. The Republicans who controlled the Congress were still primarily isolationist in outlook (despite a small internationalist business wing), and would not have gone along with such a fundamental shift in national policy unless they were sure public opinion was persuaded it was necessary.

Truman’s stark division of the world into two (and only two) warring camps was recalled by President George W. Bush who, in

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rallying the nation after 9-11-01, similarly divided the world into “evil-doers” and those who would resist terrorism: “either you are with us, or you are with the terrorists” (Bush, 2001: B4). Such Manichean over-simplification is apparently deemed necessary in a democracy to get a largely apathetic people behind a major change in foreign policy involving national commitment to war.

The “free institutions” that Truman described had not been present in Greece for some time. The minority party there was not “forcibly” imposing its will upon the majority, but had led the struggle against German occupation, had a membership between 10 and 20 percent of the population, and was supported by a significantly larger segment; it had particularly strong representation in trade unions, youth movements, cultural and sporting groups, and perhaps a plurality of the population in Piraeus, Salonika, and Macedonia (Woodhouse, 1979: 75–6, 153, 193).

Even if the ELAS could be characterized as an “armed minority” (one of four now fighting), what were the “outside pressures” to which Truman referred? The USSR, in particular, had a history of *not* involving itself in Greek affairs, as seen in the October 1944 “spheres of influence” agreement with the UK in which Stalin sold out the Greek communists. Moreover, by 1947 the Soviet Union was straining to retain even a modicum of influence in Yugoslavia, a country with which it had much longer, and stronger, historical ties (Djilas, 1962: 164).

Two other sentences in Truman’s description of the war in Greece also warrant analysis:

I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes. . . . If Greece should fall under the control of an armed minority, the effect upon its neighbor, Turkey, would be immediate and serious. Confusion and disorder might well spread throughout the entire Middle East. (Truman, 1947: 2)

Truman was asking Congress to appropriate \$400 million from the fiscal year 1948 budget for “economic and financial” aid for use in the Greek civil war (the total would come to about \$1 billion before its successful end in October 1949). The US intervention would not involve any *combat* troops, but there were about 500 military personnel in the American Mission to Aid Greece (AMAG), an indication



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that the line between “economic” and “military” aid was blurry from the start (Rossides, 1998). As a condition for receiving this aid, AMAG Administrator Dwight P. Griswold forced the three non-communist armed parties into a coalition government in September 1947, and there were frequent changes of prime minister thereafter. Griswold and the American Ambassador, Lincoln McVeigh, also approved the detention of some 4,000 “dissidents” (Blum, 1995: 38; Iatrides, 1980). Wielding overwhelming financial leverage in an otherwise bankrupt country, by November 1947 the United States was able to take control of Greece’s “national budget, taxation, currency issuance, price and wage policies, state economic planning . . . imports and exports . . . foreign exchange . . . military reconstruction and relief” (Amen, 1978: 114–15).

Among the recipients of direct American aid in addition to the “freedom-loving democrats” and monarchists, was a secret army unit with more than 200 former Greek collaborators from a World War II Nazi Security Battalion (Simpson, 1988: 81–2; Blum, 1995: 35–7). AMAG also helped to create the KYP, the intelligence apparatus which infiltrated the government and the military. Inclusion of such actors among the recipients of US largess led to a positioning of Greek politics on the right of the political spectrum for at least a generation, poisoning relations between many left-of-center Greeks and the US for many years. This alienation culminated during the period of the Greek military dictatorship, 1967–74 (Close, 1993). (See chapter 3, Postscript.)

Another interesting aspect of the aid Truman requested was that it would be not only for Greece, but for Turkey as well. There was no civil war, nor even political instability, in Turkey, a country that had maintained a steady and successful neutrality during most of World War II. But Truman’s warning about the Greek war spreading “throughout the entire Middle East” planted the seeds for what later became known as the “domino theory.” More to the point, the US military had long-standing plans for establishing listening posts (i.e., bases) in Turkey on the southern border of the USSR, and the war in Greece provided the opportunity to get them (Kuniholm, 1980: 408–14).

In any event, the American intervention turned the tide in the Greek civil war. The three non-communist sides joined together to defeat the ELAS in a bloody struggle with more than 150,000 deaths

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and 800,000 refugees (Wittner, 1982: 283). At relatively little cost to the US (no American blood shed), a possible communist regime was thwarted, and the United States replaced Great Britain as the hegemon in the eastern Mediterranean. By end of war in 1949, Greece was firmly in the US camp in what was by this time a thoroughly polarized Cold War world (see Introduction to the East Asian Region at end of this chapter). In 1950, Greece was one of only 15 states which sent troops to Korea to provide cover (i.e., legitimacy) for the US war there. In 1952, Greece and Turkey were added to the “North Atlantic” Treaty Organization of “Western” European states containing Soviet communism (Jones, 1989).

But in some respects the intervention in Greece had a downside in that it provided a successful precedent which could be invoked in later years in circumstances where similar happy results could *not* be reproduced. In this case, and in a similar intervention into Italian electoral politics in 1948 (see case 2), the US did not embrace exclusively the far-right wing of local forces, but rather included significant factions from the middle as well. However, in subsequent years, particularly after criticism regarding the “loss of China” to communism in 1949, American interventions were less sophisticated, more polarized, and, ultimately, less successful.

If the US had not intervened and the ELAS had won the civil war, this left-leaning Greek government would not have owed USSR anything and Greek politics might have taken a more normal, certainly a more independent, course. But such an outcome could not be tolerated in the new world that Truman had defined in 1947. The center-right government created by America in 1949 drifted more to the right over the years of the Cold War that followed as ties with the military grew stronger, eventually resulting in a coup and a seven-year dictatorship, 1967–74 (see chapter 3, Postscript).

### CASE 2: ITALY, 1948

Within weeks of the announcement of the Truman Doctrine on March 12, 1947, the United States moved to institutionalize its new policy in both domestic and international bureaucracies. A massive economic aid program, the Marshall Plan, was created for all of Western Europe on the model of the modest \$400 million requested for Greece. By the end of its five-year term (fiscal years 1948 through

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1952), some \$24 billion (in today's dollars) was disbursed to regenerate capitalism in what had been the heart of the capitalist world before the destruction of the world war that started in 1939.

At home, pursuant to the Truman Doctrine, the National Security Act of July 1947 unified the army, navy, and army air corps into the Department of "Defense," to be housed in the new, largest office building in the world, the Pentagon. The military commands were integrated under the Joint Chiefs of Staff (JCS) and its Chairman. Most important for *American Adventurism Abroad*, a new Central Intelligence Agency was created to correlate the various military intelligence operations, and to perform "whatever other tasks" the president might deem necessary in the war against communism. Finally, a National Security Council (NSC) was established in the White House, under the direction of the National Security Advisor to the President, to coordinate the various new bureaucracies with each other and with the more traditional departments that dealt with foreign policy: State, Treasury, Commerce, and so forth (Prados, 1991).

Following the example in Greece, Marshall Plan aid in the western (American, British, and French) sectors of divided Germany was contingent upon their political, economic, and currency unification. In reply to this, the Soviet Union, in June 1948, cut off overland routes into its zone of occupation in eastern Germany (which included the capital city, Berlin). In order to keep supplies, and Marshall Plan aid, flowing to the western sectors of the divided capital city, the Berlin Airlift was organized to fly over this blockade with food and supplies for the next 11 months (Shlaim, 1993). Related to this allied military activity, the North Atlantic Treaty was signed linking the US, UK, and France to eight other capitalist countries in Western Europe: Belgium, Netherlands, and Luxembourg (which were forced to merge into the Benelux customs union as a condition for receiving Marshall Plan aid), Canada, Iceland, Norway, Denmark, and Portugal. The latter state, it might be noted, was a military dictatorship, undermining the claim that the anti-Soviet alliance was one of "democracy" versus communism. Capitalism, and Marshall Plan economic aid and investment, was the true glue that bound the nations of what came to be called "the West" (or more grandiloquently, the "free world"). Most significant for this case study, however, was the inclusion of Italy as the 12th charter member of the alliance.

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The addition of the US and Canada to the 10 Western European countries was an effort at creating a new “North Atlantic” community. By 1949, the “treaty” had morphed into a permanent “organization” (NATO) with a headquarters in Paris. By 1951, as a result of events in Asia described later in this chapter, the “North Atlantic” Treaty Organization had expanded to include Greece and Turkey in the eastern Mediterranean. The “dominoes” alluded to above in case 1 had begun to fall; they were not, however, falling to Soviet communism, but were rather under the sway of the new global hegemon from across the Atlantic. It is in this context that case 2 (Italy, 1948) must be placed.

American intervention in Italy began in July 1943, with the landing of its army in Sicily during World War II. Two months later, the occupying US troops took the surrender from Field Marshal Pietro Badoglio’s Fascist Grand Council (which had overthrown the dictator Mussolini). In a maneuver that set the precedent for later Soviet policy in Eastern Europe, the United States refused to share wartime administration of this conquered enemy with its wartime ally, the USSR (Ambrose and Brinkley, 1997: 24–5). On the advice of Winston Churchill, the United States installed war hero Badoglio as head of the government along with fascist collaborator King Victor Emmanuel III as head of state. It also used the existing Italian army and declined to work through a leftist worker-peasant resistance movement, with thousands of armed partisans, which had held down six German divisions and liberated the north of Italy (Milan, etc.) before the US had arrived in Rome (Kolko, 1968: ch. 2; Mammarella, 1966: 81–3; Chomsky, 1996: 14–15).

In short, the first territorial expansion of the Cold War was perpetrated by the United States as it established the pattern of excluding other allies from shared administration of occupied territories, a policy that the Soviet Union replicated in Poland and Eastern Europe, and the United Kingdom adopted in Greece. More than 10,000 American troops are still in Italy to this day, although the “occupying forces” of World War II were converted long ago into “NATO military allies.” Whatever the status, the US presence was instrumental in ensuring that the first independent post-war government in Italy would be in the western camp (Harper, 1986: 39).

The first free post-war Italian national election was scheduled for April 18, 1948, and the campaign was conducted under the watchful

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eye of the US occupation forces (Hughes, 1979: 147). There were three main political parties: the Christian Democratic Party (CDP) under Alcide de Gasperi; the Italy Socialist Party (PSI) led by Pietro Nenni; and the Italian Communist Party (PCI) under Palmiro Togliatti (the US Occupation Authority had outlawed the Fascist Party) The two left-of-center parties were quite popular in the political context of 1946–8. Italian food production was two-thirds of what it was before the war; its Gross National Product was one-half of that in 1938. The left's program of recognizing workers' rights and aiding small and medium businesses in preference to concentrated heavy industries was appealing to many. In the June 1946 referendum, which abolished the monarchy and established a republic, the vote for the constituent assembly resulted in the PSI getting 20.7 percent of the vote and the PCI 18.9 percent. A grand coalition government was formed under the leadership of the CDP Prime Minister de Gasperi, whose party won 35.1 percent of the vote (Mammarella, 1966: 116). Within a year, however, with the US threatening to withhold some \$418 million in food aid, the two left-wing parties were dismissed from the government (*ibid.*: 117–18). The Christian Democrats were then promptly rewarded with a \$100 million loan (tied to purchases from the US), and the cancellation of the nation's \$1 billion debt to the United States (Blum, 1995: 29; Kolko and Kolko, 1972: 151).

In preparation for the 1948 election, the PSI and and PCI combined to form the Popular Democratic Front, drawing 40–45 percent of the vote in public opinion polls (Harper, 1986: 156). It was time for the United States to move more brazenly, employing for the first time its newly created powers under the 1947 National Security Act. Following the dictates of the first NSC directive, Number 1/1 of November 14, 1947, the US threw its full support behind the CDP government. Economic aid was increased sixfold under the new Marshall Plan – from \$100 million in fiscal year 1947 to \$600 million in the first months of 1948 (Miller, 1983). Also, for the first time, a modest amount of secret moneys – some \$10 million in “unvouchered funds” – was funneled via the new CIA into the campaigns of the Christian Democrats and allied right-wing candidates (liberals, monarchists, even former fascists) (Karabell, 1999: 38–40).

The US proposed that Italy become a member of the United Nations, something that had not yet been suggested for either

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Germany or Japan, neither of which had yet signed peace treaties with the Soviet Union. The United States also recommended Italian trusteeship over its former African colonies Libya and Ethiopia, a wholly unrealistic proposal, and the return of Trieste, in Yugoslavia, to Italy. In each of these diplomatic ploys, the USSR was maneuvered into casting a veto, moves which hurt the prospects of the Italian Communist Party and enhanced that of the pro-American parties (Miller, 1986).

At home, a government-orchestrated campaign resulted in more than 10 million Italian-Americans sending (mass-produced, pre-written, postage-paid) letters to their countrymen suggesting links between the “correct vote” and monetary remittances from the new world and future immigration prospects of relatives (Martinez and Suchman, 1950). The newly formed Voice of America and US Information Service produced and distributed films starring Frank Sinatra, boxer Rocky Graziano, and Italian-American labor leaders extolling the virtues of the American, as contrasted with the Soviet, way of life. They also circulated *Ninotchka* (1939), the Hollywood film starring Greta Garbo that satirized life in Russia; it was shown to more than 15 million Italians in the weeks before the election and was regarded as particularly effective (Blum, 1995: 31). Finally, on March 15, 1948, President Truman announced in no uncertain terms that economic aid to Italy would be terminated in the event of a communist victory.

The American campaign blitz succeeded. By polarizing the electorate into viewing the contest as one between the US and USSR, the CDP won 48.5 percent of the vote and an absolute majority of seats in the parliament. The Popular Front saw their pre-election poll numbers plummet to 31 percent on election day. But the result boded ill for Italian democracy. Using the technique of secret funding to non-leftist parties during subsequent elections from the 1950s through the early 1970s, the United States ensured that the Christian Democrats continued to be the dominant partner in every coalition for the next generation, although it never again reached 48 percent of the popular vote. The secret American funding stopped in the 1970s, but the CDP continued to be in every government (though not necessarily with the prime minister’s post) until the end of the Cold War. The Communist Party, meanwhile, consistently drew between 30 and 35 percent of the vote over the years – the second largest party – but never once was admitted into a ruling coalition.

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In short, the US in Italy created in 1948 – and sustained for 46 years (until 1994) – not a true democracy, but a “one-party dominant” form of political system designed to keep the country’s second largest party from ever having a share of government (Sullivan, 1996: 80). The result was a weak polity in which Italy had 52 governments in 46 years, as the CDP and its allies rotated the major cabinet ministries amongst themselves in an increasingly corrupt system. One CDP leader with ties to the CIA and the Mafia, Giulio Andreotti, was prime minister seven times before he was abandoned by the US as expendable in the 1990s (Stanley, 1999: 3). A similar system was set up, financed, and maintained in occupied Japan starting with the elections there in 1951 and 1954, and where the Liberal Democratic Party played the part of Italy’s CDP (Pempel, 1990).

### CASE 3: PHILIPPINES, 1946–53

American influence over the composition of governments in Greece and Italy in the late 1940s followed a pattern established earlier when the US gave “independence” to its largest colony, the Philippine Islands, in 1946. The practice of prescribing acceptable governments for less powerful peoples can be defined as “neo-colonialism,” a policy that involves indirect control over another country wherein the dominant power does not exercise outright political administration over the weaker state, but, through its overwhelming economic influence and other forms of intervention, can dominate politics in the smaller state to the point of virtually picking the head of government and key members of the cabinet. It involves techniques that the US perfected in the Western Hemisphere earlier in the century, as will be explained in the introduction to that region in chapter 2. The situations in the Philippines, Italy, and Greece are interesting because the addition of anti-communism to the rationale for action provided the template for America’s going global with its historic hemispheric policy of neo-colonialism.

The United States had a proprietary interest in the Philippine Islands ever since they were acquired after victory in the Spanish-American War in 1898 (Karnow, 1990: 125–30). That war was started to liberate Cuba from Spain, but US victory also brought American colonial control over Spain’s other imperial “possessions”: Puerto Rico, Guam, and, most significantly, the Philippines, a huge

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archipelago of 7,000 islands 500 miles off the coast of China. The victory over the Spanish fleet in Manila Bay took about four hours (the US had the ironside *USS Olympia*; Spain had only wooden ships). The war in Cuba lasted about four months and was termed a “splendid little war” by Secretary of State John Hay. But the battle to subdue the Filipinos was a bloody four-year “war of pacification,” 1899–1902, in which 500,000 (out of a population of 7.5 million) of the natives perished, as compared with only 4,165 Americans (Poole and Vanzi, 1984: 132). This was typical of the overkill employed by imperial powers to subjugate colonies during this era. Whether it was right and proper, or even worth the effort, was a matter of some debate in the United States at the turn of the century (Brands, 1991: 20–35). Many thought it the next logical step in the “manifest destiny” of America’s westward movement. The issue was not decided until President William McKinley announced he was inspired by Almighty God “to take . . . and to educate the Filipinos, and uplift and civilize and *Christianize* them” (Zinn, 1995: 306; italics mine: the Philippines had been forcefully converted to Catholicism by Spain 400 years earlier).

The US gave the Philippines their independence in 1946, but entangled them in so many economic and military base agreements that the power relationship between the two countries met the definition of “neo-colonial” (Shalom, 1981: xiii–xvii; Pomeroy, 1974). Before the transfer of power, the United States supervised an election for a congress in which ten winning candidates were rejected because they were members of the *Hukbalahap* (“Peoples Army” in Tagalog), a peasant-based, communist-led movement that fought against Japan during World War II. These “Huks” advanced a program of land reform and industrialization that the US had largely thwarted during its 43 years of colonial rule, and so in this respect were a threat to both the United States and to Japan; the US fought against them as well as against the Japanese during the war (Kerkvliet, 1977; Shalom, 1981: 7–8).

In 1946, between the April election and “independence day” on July 4, the carefully vetted Philippine congress granted the United States land for 23 military bases (Berry, 1989) and equal rights in the development of the nation’s natural resources and the operation of its public utilities. The US was also given absolute free trade rights on the islands for the next eight years, whereas export quotas were



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established for the Filipinos for cordage, sugar, and other goods (Cullather, 1994: 38). In addition, the independence transition included a military aid pact that prohibited the Philippines from getting arms from any other country (Friedman, 2001). Most significant for what would follow, the new Philippine army moved into areas sympathetic to the Huks, destroying villages and killing more than 500 peasants. The Huks felt they had little alternative but to take up arms again just as the new government was coming to power (Taruc, 1952: chs. 23–4; Pomeroy, 1974: 78).

Over the next seven years, 1946–53, the US spent more than \$200 million in helping the first two Philippine governments prosecute a counter-insurgent war against the Huks. At its height, in 1950–2, some 9,000 people, mainly civilian supporters of the Huks, were killed in a brutal campaign reminiscent of the 1899–1902 pacification (and presaging a similar effort in Vietnam in the 1960s). As part of its campaign, the US military aid group selected Ramon Magsaysay as head of the Philippine defense and intelligence establishment. More importantly, the newly formed CIA dispatched Lt Col. Edward G. Lansdale (the model for the 1958 political novel *The Ugly American* in a later incarnation) to oversee a program of psychological warfare in Philippine politics (Lansdale, 1972: 24–30, 69–85; Smith, 1976: 95–106). In 1953, he successfully maneuvered Magsaysay into the presidency, funneling money into his campaign through CIA front organizations and playing dirty tricks – e.g., drugging an opponent’s drink before he gave a public speech to make him appear incoherent (Karnow, 1990: 346–53; Blum, 1995: 41). Magsaysay himself died in mysterious circumstances in 1957.

The 1946–53 patterns of suspicious American involvement in Philippine politics and Filipino dependence on the US to suppress militant left-wing opposition have continued to the present time. The CIA was instrumental in the election of president Diosdado Macapagal, 1961–5, a man who was on the Agency’s payroll for many years (Karnow, 1990: 362–5, 444), and during whose term two American bases, Clark Air Field and Subic Bay Naval Base, expanded (in support of the war effort in Vietnam) to become the largest in Asia. His daughter, Gloria Macapagal Arroyo, is president at the time of this writing (2007).

In 1972, the US acquiesced in President Ferdinand Marcos’s “constitutional coup” regime, during which martial law was declared

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and elections were called off for the next 14 years (Bonner, 1987: 112). It did not object when Marcos's left-of-center opponent, Benigno Aquino, was assassinated on the airport tarmac as he returned from a trip to the United States in 1981. The stated reason for US tolerance of the Marcos dictatorship was the rise of the New People's Army (NPA), political descendants of the Huks, who reorganized in 1969 and launched a 17-year insurgency in which some 35,000 were killed. As in the earlier 1946–53 war, the US fear of communism, in this case at the height of the Vietnam War in a country of historic American control, led to its initial approval of Marcos's uncompromising approach to any opposition on his left. (Aquino, in addition to calling for a return to democratic elections, advocated negotiating with the NPA.) Despite the US–Marcos hard line, NPA armed strength grew from a few hundred in 1972 to more than 15,000 by 1986 (Bonner, 1987: 442). Its popular supporters were estimated to be in the hundreds of thousands.

As the Cold War waned, however, the Philippines became less important to America. Indeed, by 1986, Marcos had become an expendable embarrassment who had to be pressured into retirement by a show of US military force in support of the widow Cory Aquino's electoral win that year (Blitz, 2000: 80–4). Mrs Aquino's "people power" electoral revolution redirected popular support away from the insurgency and toward support of the new government. In 1991, when a volcano destroyed Clark Air Field, the US chose not to rebuild it, and quietly accepted the Philippine Senate's request to vacate all its other bases as well.

On balance, America's neo-colonial policy in the Philippines in the 50 years after its 1946 "independence" could be deemed a success. Throughout the ideological struggle against communism, the United States retained a loyal client, and its influence lingered on even after its ouster from the bases. Its West Point-educated military client, Fidel Ramos, ruled as president for most of the 1990s, and when the global "war on terror" was declared after 9-11-01, the Philippines was the first state outside the Middle East to allow US troops (back) into their country.

One significant thing about the United States involvement in the Philippines, 1946–53, is that it began *before* the announcement of the Truman Doctrine in March 1947, and was in high gear before the triumph of the communists in China in October 1949. To

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understand this American policy more fully, it might be helpful at this point to place this study of the United States in the Philippines in the larger context of US policy in Asia between World War II and the height of the Cold War.

### **Introduction to the East Asian Region**

In 1941, the United States was at war with the most important military power in Asia: Japan. Ten years later, in 1951, the US was at war with the most important military power in Asia: China. Was something wrong with American diplomacy in Asia during these times? No, not if one accepts the premise that the goal of US foreign policy was to be hegemon of the global capitalist system, and that Japan and China, respectively, represented the major obstacles to this objective in that region at those times. The case of US intervention in the Philippines should be seen in the context of this goal and how it became operationalized on a global scale after the start of the Cold War in Europe in 1947.

The US approach to East Asia has historically been cautious as far as the mainland was concerned; it focused more on the larger Pacific islands and, more tentatively, on the peninsulas (Korea, Indochina) of mainland China. After the 1898 Spanish-American war, the US gained the Philippine Islands as a colony and, in the Taft-Katsura Agreement of 1905, Washington and Tokyo acknowledged each other's rights in the Philippines and Korea, respectively.

After World War II, the US and USSR replaced Japan as occupying powers in a divided Korea. Given China's historic interest in this former tributary nation, the seeds were sown for one of the Cold War's major confrontations – the Korean War, 1950–3 – in which American troops directly clashed with those of China. This event will not be discussed at length here, in keeping with this book's emphasis on matters peripheral to the larger wars and countries involved in the Cold War. But the United States' reaction to victory of the communists in the Chinese civil war in 1949 was a watershed event that led directly to their fighting each other one year later, so a brief summary of the antecedents is in order.

Although the two armed parties in China – the communists under Mao Tse Tung and the Kuomintang (Republican) Party under

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Chiang Kai Shek – had been fighting each other on and off for more than 20 years, the total takeover of the mainland by the communists on October 1, 1949, came as a surprise to the United States. Along with the Soviet testing of an atomic bomb that summer (several years before it was expected to happen), it led to America’s decision – in National Security Council Document NSC-68 of April 14, 1950 (*before* the Korean War) – to call for the expansion of containment from a primarily political-economic program aimed at the Soviet Union in Europe to a global, militarized policy aimed at the “Sino-Soviet bloc.”

The Chinese and the Russians had historically been enemies, and in 1950, despite both being ruled by communists, they still had many outstanding border claims and national differences. But they signed a 10-year friendship pact in January 1950, and in solidarity the USSR boycotted the United Nations when that supposedly universal organization refused, upon exercise of the American veto, to admit the new “People’s Republic of” China as a member. (The UN, under US pressure, allowed the Kuomintang government, in exile on the island of Taiwan, to retain the “Republic of” China seat until 1971.)

The decision to expand containment from Europe to Asia led to the United States’ involvement in Korea when the communist northern half of that divided state attacked the south on June 25, 1950. There is some dispute about the degree of Soviet and Chinese involvement in Kim Il Sung’s decision to launch this attack (Cumings, 1990: 568–621; Thornton, 2000: 185–6), but the US chose to interpret the assault as the start of a global offensive by the communist allies. Taking advantage of the Soviets’ boycott of the United Nations, the US maneuvered that organization into going to war to repel the North Korean aggression. It got 14 other countries to contribute troops (some only in token amounts) to what was essentially an American war against North Korea. When the US/UN commander, General Douglas MacArthur, went beyond his mandate of “repelling aggression” and, in October 1950, sent troops across the North/South demarcation line and up to the border of China, the latter responded with 300,000 troops to drive back the advancing Americans.

As noted above, the details of the US–China war in Korea will not be discussed here. Suffice to say, the US intervention in Korea led to American collaboration with France in its colonial war in Indochina, and to support for a similar British counter-insurgency in Malaya.

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The three wars were seen as part of the division of labor by the leading capitalist countries in their global struggle against communism. By the end of the Korean War, pursuant to the policy laid down in NSC-68, the US had formed military alliances to “contain Chinese communism” with Japan (1951), Australia and New Zealand (ANZUS) (1951), South Korea (1953), and the Republic of China (i.e., Taiwan) (1954). Also, following the recommendations of NSC-68, spending for “defense” in the United States tripled – from about \$15 to \$45 billion annually – an amount from which it has never receded by more than 10 percent, adjusting for inflation, to this day.

Thus, the US intervention into Korea must be understood in the context of America’s expansion into new areas of the world in the wake of its World War II rise to superpower status (Thompson et al., 1981; Buckley, 2002). The American decision to project its power beyond the Pacific on to the mainland of Asia – and to transform its Philippine colony into a neo-colonial staging area in this pursuit – was reinforced during the Korean War. A year after this war ended, the Philippine capital, Manila, was chosen as the headquarters for the new Southeast Asia Treaty Organization (SEATO), the vehicle through which the US replaced France as the dominant Western power in Indochina (see Introduction to the Southeast Asia Sub-Region in chapter 2). By that time, the US had its man Magsaysay in the presidency, and the bases agreement and the multilateral treaty provided the infrastructure for building American hegemony in a new area of the world.

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