

2003

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Citation

Weinberger, Seth. "Institutional Signaling and the Origins of the Cold War." *Security Studies* 12.4 (2003): 80-115.

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On: 30 October 2013, At: 16:00

Publisher: Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



Security Studies

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/fsst20>

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Published online: 03 Jun 2010.

To cite this article: Seth Weinberger (2003) Institutional Signaling and the Origins of the Cold War, *Security Studies*, 12:4, 80-115, DOI: [10.1080/09636410390447635](https://doi.org/10.1080/09636410390447635)

To link to this article: <http://dx.doi.org/10.1080/09636410390447635>

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INSTITUTIONAL SIGNALING AND THE ORIGINS OF THE COLD WAR

SETH WEINBERGER

ALLEVIATING THE security dilemma is one of the foremost tasks for a state in the international system. If the pressures of the security dilemma dominate relations between two states—that is if the level of bilateral trust is so low that two states fear each other so greatly that any action one takes to secure its own defense is necessarily seen as eroding the second's security—friendly relations are nearly impossible. States are forced to worry about relative gains, and many of the potential benefits from international cooperation, such as trade, are lost. If these pressures can be eased, however, then the adversarial, zero-sum nature of international politics can be transformed to allow cooperation and comity.

Achieving such a transformation requires more than friendly words and reassurances. Given the anarchic nature of international politics, states are ultimately responsible for providing their own security, and therefore understandably hesitant to trust one another. Additionally, the price of being wrong about the intentions of another state can be extremely high, and may include loss of treasure, land, the lives of citizens, and in rare cases, national destruction. The problem is states and their leaders cannot simply be asked to reveal their intentions and preferences. Even if states do release statements as to their preferences, states have incentives to dissemble. A revisionist state bent on exploiting and attacking its neighbors could adopt no better strategy than to convince others that it is indeed a friendly, status quo state, thereby convincing them to lower their guard.

The absence of information as to the preferences, or type, of other states leads directly to the creation of a security dilemma. Even if all states are indeed status quo states that seek only to ensure their own security, they can never be sure, due to imperfect information and the incentive to lie, of the preferences of others. This leads to states being hesitant to trust one another for fear of being exploited.

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The author would like to thank Peter Feaver, Chris Gelpi, Bruce Jentleson, Robert Keohane, Geoffrey Manne, Julie Novak, Jerry Weinberger and the reviewers for *Security Studies* for the advice, insight, and helpful comments they provided.

Furthermore, when a state takes steps to hedge against possible exploitation, by building up a military for example, other states, knowing their own preferences to be benign, see the potential for aggression in the defensive actions. Any step one state takes to ensure its own security and survival necessarily decreases the security of others. Thus, a poisonous environment is created in which potential cooperation can go undiscovered and states become unnecessarily paranoid.¹

How can two states that are largely adversarial and wish to cooperate in order to escape from the anarchic zero-sum world of the security dilemma inform one another of their “true” preferences?² Also, perhaps more importantly, how can one state communicate its own preferences credibly or induce another to reveal its preferences, particularly if the other state’s desire for cooperation is unknown?

While many scholars have recognized the need for states to divine the preferences of others, this article identifies a mechanism by which states can do so. After examining the existing literature concerning state preferences, I set out my theory of institutional signaling, which argues that the process of negotiating and creating international institutions plays a critical role in enabling states to send and evoke credible statements of preference. Institutions, by virtue of their ability to impose costs on states as a result of compliance with the rules and obligations, provide a means of generating signals that will be accepted as credible by the policymakers of a given state. Those signals will be interpreted as revealing vital information about the true nature and interests of other states. Only if they have ways of sending and reading such signals can two states escape the pressures of the security dilemma and begin moving toward a cooperative relationship.

After detailing my theory of institutional signaling, I proceed to demonstrate the applicability of the theory in case studies. At the end of the Second World War, the United States and the Soviet Union found themselves in a curious position. While their relationship had been largely adversarial prior to the war, the mutual threat posed by Nazi Germany had brought the two superpowers together. After the war, however, as the United States moved to construct a postwar world that suited its own interests, it quickly became clear to the United States that the Soviets had a different vision for the international system. My theory demonstrates how the institutions created by the United States helped American policymakers develop assessments of Soviet preferences, which ultimately resulted in the emergence of the Cold War.

1. See Robert Jervis, “Cooperation Under the Security Dilemma,” *World Politics* 30, no. 2 (January 1978): 167–214. See also James D. Morrow, “The Strategic Setting of Choices,” in *Strategic Choice and International Relations*, ed. David A. Lake and Robert Powell (Princeton: Princeton University Press, 1999), 78–79 and 83.

2. By “true” preferences is meant the underlying preferences on which a state bases its policies and makes its decisions. See Jeffrey A. Frieden, “Actors and Preferences in International Relations,” in Lake and Powell, *Strategic Choice and International Relations*, 42–45.

THE NEED FOR IDENTIFYING STATE PREFERENCES

DIFFERENTIATING STATUS quo from revisionist states is essential in evaluating the degree of threat posed by any particular state and in developing strategies to deal with it. Arnold Wolfers describes this problem in *Discord and Collaboration*, writing that most states can be placed somewhere on a continuum between “complete indifference to security or complete reliance on nonmilitary means” and “insistence on absolute security or of complete reliance on coercive power.”³ In addition, there exist some states that “cannot be placed within the continuum connecting these poles, because they regard security of any degree as an insufficient goal; instead they seek to acquire new values even at the price of greater insecurity.”⁴

Understanding where a state lies on that continuum is an essential component of developing foreign policy. Any debate over security necessitates a discussion over trade-offs, as security is one of many priorities competing for the scarce resources of a national budget, and one does not want to spend more on security than is necessary.

Choosing the wrong strategy can have even more deleterious consequences as well. The logic of the security dilemma proposes that a state attempting to increase its own level of security necessarily reduces the security of other states, prompting those states to increase their own security in turn, which can lead to an arms race.⁵ If a potential rival defines its security through nonmilitary means and sees itself as nonaggressive, then selecting a foreign policy based on force may exacerbate the pressures of the security dilemma. If the rival is closer to the pole of coercive security, then selecting a strategy of accommodation or appeasement may only send signals of weakness and encourage aggression or expansion.⁶ Knowing whether a rival state defines its security by coercive means, by nonmilitary means, or whether it is one of Wolfers’s “mad Caesar” revisionist states, is essential.

Waltzian neorealism, however, rejects the idea of states having preferences or types. As Kenneth Waltz wrote in his *Theory of International Politics*, “If the aims, policies, and actions of states become matters of exclusive attention or even of central concern, then we are forced back to the descriptive level; and from simple descriptions no valid generalizations can be drawn.” If states can have differing preferences, then there will have to be an infinite amount of causal descriptions to

3. Arnold Wolfers, *Discord and Collaboration*, (Baltimore: Johns Hopkins University Press, 1962), 156.

4. Ibid.

5. Charles L. Glaser, “The Security Dilemma Revisited,” *World Politics* 50, no. 1 (October 1997): 171–201.

6. Wolfers, *Discord and Collaboration*, 158.

account for all of the varying preferences; an “infinite proliferation of variables.”⁷ Since Waltz is attempting to construct a theory of international politics (as opposed to a theory of foreign policy), it is critical that unit-level explanations be eschewed in favor of system-level variables that can provide predictive power and produce generalizable theories.

The offensive realism espoused by John Mearsheimer agrees that conflict is a ubiquitous phenomenon in international politics, and that there is no need to search for the preferences or motives of states. Where Waltz believes states seek to preserve what they have, however, Mearsheimer’s theory “does not allow for status quo powers,” instead arguing that all great powers have “revisionist intentions at their core.”⁸ Mearsheimer asserts that states place no faith in the goodwill or benevolence of others, and therefore all states, and especially great powers, “quickly understand that the best way to ensure their survival is to be the most powerful state in the system.”⁹ Since all states will necessarily come to this realization, they will “look for opportunities to take advantage of one another” and “work to ensure that other states do not take advantage of them.”¹⁰ A security dilemma ensues, making cooperation superficial at best, impossible at worst, and establishing balancing as the dominant behavior of states.¹¹

Mearsheimer allows that hegemonic powers may not necessarily be aggressive, but only if they achieve a level of preponderance that makes their defeat unthinkable. In this case, it is not faith in others, but rather faith in one’s own military that generates the cooperative environment. As G. John Ikenberry demonstrates in his book *After Victory*, however, hegemonic states make take advantage of such predominance to create an environment in which they can build cooperative and stable relations with others.¹²

Furthermore, it is not clear that the balancing predicted by both Mearsheimer and Waltz is indeed the dominant behavior of states. Stephen Walt tries to amend structural realism and balance-of-power theory with a “balance-of-threat” concept, in which states do not balance mindlessly against power and capabilities, but rather weigh which side is more of a threat to their own interests before arriving at alignment decisions.¹³ Thus, Walt claims that “rather than allying in response

7. Kenneth N. Waltz, “Reductionist and Systemic Theories,” in *Neorealism and Its Critics*, ed. Robert O. Keohane (New York: Columbia University Press, 1986), 52.

8. John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: Norton, 2001), 29.

9. *Ibid.*, 33.

10. *Ibid.*, 35.

11. *Ibid.*, 139.

12. G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order After Major Wars* (Princeton: Princeton University Press, 2001).

13. Stephen M. Walt, “Alliance Formation and the Balance of World Power,” *International Security* 9, no. 4 (spring 1985): 8–13.

to power alone, it is more accurate to say that states will ally with or against the most *threatening* power.”¹⁴

Walt, however, does not provide a mechanism for independently assessing how states determine the intentions of others, and the logic of the argument reduces to defining threats by observing which states provoke balancing coalitions, and which create bandwagoning alliances. This is insufficient for building a theory of foreign policy, as it provides little explanatory power. A mechanism for determining how decisionmakers decide which states are threats is an essential element of a theory of foreign policy.

Walt is correct that states do not balance solely against power or capabilities, but against threats. So, what then constitutes a threat? Celeste Wallander and Robert Keohane define a threat as “when there are actors that have the capabilities to harm the security of others and that are perceived by their potential targets as having intentions to do so.”¹⁵ Using Wolfers’ categories, how a state defines itself with regard to security—from “complete indifference to security or complete reliance on nonmilitary means” to “insistence on absolute security or of complete reliance on coercive power”¹⁶—in turn determines how other states will view the intentions of the first state.

While the consideration of intentions may violate the tenets of Waltzian structural realism, intentions do play a strong role in other branches of realism. Hans Morgenthau defines states as either “status quo” or “imperialistic,” the former being states “whose foreign policy tends towards keeping power and not toward changing the distribution of power in its favor,” while the latter “aims at acquiring more power than it actually has through a reversal of existing power relations.”¹⁷ E. H. Carr similarly distinguishes between status quo and dissatisfied states, and, as noted above, Arnold Wolfers describes states along similar lines. For these “classical” realists, determining state preferences and intentions is essential for assessing the threat posed by any particular state.

In addition to the “classical” realists, the so-called neoclassical realists—an unofficial group including Randall Schweller, Thomas Christensen, William Wohlforth, and Fareed Zakaria—question Waltz’s claim that theories must exclude

14. Ibid., 8–9 (emphasis in original).

15. Celeste A. Wallander, and Robert O. Keohane, “Risk, Threat, and Security Institutions,” in *Imperfect Unions: Security Institutions over Time and Space*, ed. Helga Haftendorn, Robert O. Keohane, and Celeste A. Wallander (New York: Oxford University Press, 1999), 25.

16. Wolfers, *Discord and Collaboration*, 156.

17. Hans J. Morgenthau, *Politics Among Nations*, (Boston: McGraw Hill, 1993), 51. Morgenthau does not expect that status quo states are not seeking to increase their own power. On the contrary, they do in fact try to do so, but “seek only adjustment [of the existing power structures], leaving the essence of these power relations intact. . .” (57).

variables below the systemic level.¹⁸ A state's capabilities and position within the international system may determine the opportunities available to that state, but the specific interests and preferences of that state shape how the state will react, respond to, and take advantage of those opportunities.¹⁹ Wohlforth claims that "for any balance-of-power theory to explain state behavior, it must specify the mechanism through which capabilities are translated into actions. That mechanism can only be the assessments of the people who act on behalf of states."²⁰ Wohlforth goes on to explain that one critical assessment is the preferences of states, expressed, in simple terms, as the difference between a status quo state and a revisionist one.²¹

In Schweller's view, Waltzian neorealism "views the world solely through the lens of a satisfied established state."²² Modern structural realists, Schweller asserts, assume that states are not willing to take risks in order to improve their position or the system. So, Joseph Grieco claims that "states, according to realist theory, are profoundly *defensive* actors,"²³ while Waltz declares that "the first concern of states is not to maximize power but to maintain their positions in the system."²⁴ Schweller, however, argues that not all states are defensive or satisfied with their lot in the system. Rather, certain states:

want to increase their values and improve their position in the system. These goals cannot be achieved simply by ensuring that everyone else does not gain relative to them. They must gain relative to others; and throughout history, states striving for greater relative power, often driven by prestige demands for their rightful "place at the table" or "place in the sun," have routinely sacrificed their security in such a quest. As Raymond Aron points out: "All great states have jeopardized their survival to gain ulterior objectives. Hitler preferred, for himself and for Germany, the

18. See: Gideon Rose, "Neoclassical Realism and Theories of Foreign Policy," *World Politics* 51, no. 1 (October 1998): 144–72.

19. *Ibid.*, 152.

20. William C. Wohlforth, "Realism and the End of the Cold War," *International Security* 19, no. 3 (winter 1994/5): 97.

21. *Ibid.*, 120. Wohlforth argues that the fact that the NATO powers did not exploit Soviet weaknesses at the end of the cold war can best be explained by "a realism that differentiates between revisionist and status quo powers."

22. Randall L. Schweller, *Deadly Imbalances: Tripolarity and Hitler's Strategy of Conquest* (New York: Columbia University Press, 1998), 20.

23. Joseph M. Grieco, "Realist Theory and the Study of World Politics," in *New Thinking in International Relations Theory*, ed. Michael Doyle and G. John Ikenberry (Boulder: Westview, 1997), 167.

24. Kenneth N. Waltz, "Anarchic Orders and Balances of Power," in Keohane, *Neorealism and Its Critics*, 127.

possibility of empire to the security of survival. Nor did he want empire—or an accumulation of power—as a means to security.”²⁵

Schweller is able to discriminate between several different types of states, based on their stance toward the status quo. “Satisfied” or “status quo” states are those that are “security maximizers (as opposed to power-maximizers), whose goal is to preserve the resources they already control. Revisionist states, by contrast, seek to undermine the established order for the purpose of increasing their power and prestige in the system.”²⁶ Schweller then further breaks down the categories, distinguishing between states that are more or less aggressive and capable in pursuit of their chosen goals. What emerges is a more nuanced and complete theory of foreign policy that accepts the limits and constraints of structural neorealism and marries it to unit-level considerations so that “predictions are codetermined by the power and interests of the units and the structures in which they are embedded.”²⁷

Schweller offers an excellent typology for classifying the preferences and interests of states, but he does not provide a mechanism for identifying states as one type or another. If a theory of foreign policy is to describe how states solve the security dilemma and trust some states, as well as how they determine that others are implacable enemies who must be opposed, it must include a mechanism that reveals the process by which such decisions are made.

THE LOGIC OF SIGNALING

IN THE words of Wallander and Keohane, “the key problem for policymakers is the difficulty of distinguishing revisionist states with exploitative preferences from status quo states with defensive intentions. It may be possible for security dilemmas to be avoided or ameliorated if status quo states can provide credible information to distinguish themselves from revisionists eager to exploit the unwary.”²⁸ How are states to provide the necessary credible information? What information is likely to be judged as credible? The former question will be the subject of this section, while the latter shall be addressed later.

If states are to ameliorate the pressures of the security dilemma, they must be capable of convincing each other of their benign intentions and of their desire to

25. Schweller, *Deadly Imbalances*, 21. See also Morrow, “The Strategic Setting of Choices.” Morrow supports the critique that neorealism suffers from a “status quo bias,” arguing that “if all states were interested solely in [their own security] and their sole interest in security was known to all, no state would pose a threat to any other; all can maintain their position by upholding the status quo. Because all are interested only in security and all know that, no state need fear that another will attempt to overturn the status quo” (78).

26. *Ibid.*, 24.

27. *Ibid.*, 25.

28. Wallander and Keohane, “Risk, Threat, and Security Institutions,” 25.

maintain the status quo. That in turn requires states to communicate clearly and credibly with each other in order to send costly signals to one another for the purpose of distinguishing types. Assuming that status quo states will, in certain situations behave differently than will revisionist states, situations can be created which will force a state to reveal its "true" type.²⁹ Of course, as mentioned earlier, states have incentives to dissemble and disguise their true preferences. In order to identify another's true preferences, and in turn foster cooperation or distinguish threats, states need a mechanism that can create a separating equilibrium, which is a decision point that establishes a costly choice for an actor, whereby an actor of one type will choose one course of action, while an actor of a second type will, necessarily, select a different action. Thus, an actor's type is revealed by its decision.³⁰ The separating dynamic can be created by the presence of costly actions, which creates separation of types by allowing an actor of one type to signal its preferences by taking a course of action that incurs costs which an actor of a different type would not be willing to pay.

The signaling costs must be sufficiently high that an actor trying to send a false signal will be dissuaded, but they cannot be so high as to negate the benefits of sending the signal in the first place.³¹ The costs must be clear to audiences, both domestic and international. If the intended audience does not appreciate the "value" of the costs, they will have little meaning. They must be irrevocable, or at least extremely difficult to reverse, for costs that can be reversed or undone are not truly costs. So, the critical question becomes: How can states wishing to escape the pressures of the security dilemma create costly signals so as to credibly reveal their type to others?

Andrew Kydd, who argues that international conflicts are caused primarily by states with aggressive preferences, and not the systemic pressures of the security dilemma, identifies four possible costly signaling mechanisms.³² First, a state can explicitly promote a nonaggressive, moderate ideology. Accommodation of and tolerance toward minority groups are a second signal states can send of their benign intentions. Third, nonexpansionist policies toward neighboring states can "signal that [a great power] is uninterested in conquest and domination for its own sake."³³ Finally, policies such as unilateral arms control or military restraint can reveal a state to be a supporter of the status quo. All of these policies can

29. Morrow, "The Strategic Setting of Choices," 87.

30. James D. Morrow, *Game Theory for Political Scientists* (Princeton: Princeton University Press, 1994), 225.

31. Morrow, "The Strategic Setting of Choices," 87. Morrow refers to the Israel-Egypt peace process, using Egyptian president Sadat's trip to Jerusalem as the costly signal.

32. Andrew Kydd, "Sheep in Sheep's Clothing: Why Security Seekers Do Not Fight Each Other," *Security Studies* 7, no. 1 (autumn 1997): 114–55.

33. *Ibid.*, 143.

function as separating equilibria as greedy, aggressive states would be unlikely to undertake them.

Still, the inherent uncertainty in discerning the intentions of states is a powerful force in international politics.³⁴ While states may indeed be temporarily reassured by the signals described by Kydd, such policies are too easily reversed or changed for much stock to be placed in their signals. A costly signal that can be easily undone or reversed may be a price worth paying by an expansionist state in order to achieve strategic surprise. For a state to develop a sufficiently confident assessment of another's type, the signal must be entrenched or codified in such a way that not only makes it costly, but persistent.

THE ROLE OF INTERNATIONAL INSTITUTIONS

INTERNATIONAL INSTITUTIONS can serve a valuable role in solving this problem, as they have a unique ability to impose costs upon states. Many institutional structures involve differing levels of costs, as a result of compliance with the institutional requirements or from the internalization of new norms. Additionally, institutions can create standards of behavior against which the actions of a state can be judged. Institutions may be able to send more credible signals of preference, because they reveal and affect the very nature of the state: its domestic structures, political arrangements, and intentions. Because institutions can internalize their values within member states, a state that is aware of the likely costs of an institution will only accede to those institutions that it perceives to be commensurate with its interest. Institutions that codify or internalize undesirable rules, obligations, and norms will be either be rejected, or entered into and not complied with.

For a relationship to be described as "institutionalized," several criteria must be met. First, there must be norms of behavior guiding the actions of both parties most of the time. Second, there must be some degree of procedural regularity by which the parties can communicate and exchange information, such as top-level summits, ministerial meetings, and so on. Third, the states must have mechanisms for conflict resolution to which they can turn, instead of, or at least prior to, resorting to war. Finally, there must be some "shadow of the future," in which the potential benefits of the continued long-term relationship outweigh the short-term benefits of exploitation, defection from agreements, or quick resorts to force to solve disputes.

It is important to note that a relationship can be institutionalized without being based in formal institutions. As noted in the typology of institutions presented

34. See Jeffrey W. Taliaferro, "Security Seeking Under Anarchy: Defensive Realism Revisited," *International Security* 25, no. 3 (winter 2000/1): 147–52.

herein, institutions can be more or less codified, more or less coercive, and more or less costly. They can also be more or less extant. While many relationships are indeed entrenched in formal institutions, unwritten rules, norms and agreements can also create institutionalization. For example, the U.S. relationship with Israel is mostly informal, as there is no official defense relationship, few written treaties, and few institutional memberships in common. Given Israel's status as the number one recipient of U.S. foreign aid, however, the tacit understanding of a military alliance, the level of U.S. support for Israel in such institutions as the UN Security Council, and the frequency of official high-level meetings, the U.S.-Israel relationship would certainly be considered institutionalized.

The relationship between two states can be described in terms of the level of institutionalization that exists between them. The most institutionalized relationship would be one of a constitutional nature, such as is developing between European states within the European Union. At the other end of the spectrum would be a purely adversarial relationship, where little other than international law governs. In between exist gradients of institutionalization. Of most concern here is the transition from an adversarial to an institutionalized relationship. Such a stage exists when rivals seeking to escape the pressures of the security dilemma begin the process of signaling their desire to change the relationship. For example, U.S.-Chinese relations from 1949 (the Communist revolution) until 1971 (Kissinger's visit to Beijing) could be described as adversarial. From 1971 until 1979 the two nations were in a "transitional" phase, characterized by low levels of institutionalization, such as the Shanghai Joint Communiqué, culminating in the establishment of diplomatic relations. That is not to say that from 1979 on, the United States considered China a boon companion. From that point, however, relations could be described as institutionalized to some degree.

A similar dynamic can be observed in the relations between Israel and Egypt. The two existed in an adversarial relationship from the time of Israel's creation until 1977, when Egyptian president Anwar Sadat announced his intention to visit Jerusalem for the sake of peace. The next two years were spent in developing an institutionalized relationship, which persists today. It is during this critical "transition" phase, when mutually wary parties are "trying out" the idea of an institutionalized relationship, that policymakers must be capable of sending and receiving credible signals of good faith.

Institutions have played vital roles in certain critical signaling scenarios. As John Ikenberry writes, institutional signaling helps explain "why the Soviet Union gave up [at the end of the cold war] with so little resistance and acquiesced in a united and more powerful Germany tied to NATO. Soviet leaders appreciated that the institutional aspects of political order in the West made it less likely that these states would take advantage of the Soviets as they pursued reform and

integration.”³⁵ In fact, Ikenberry’s concept of institutional “restraint,” which he uses to explain why states create institutions that seem to limit their own power, as did the United States after the Second World War, is a variant of the institutional signaling theory presented here. For Ikenberry, the creation of such institutions can help hegemonic states “restrain themselves and thereby dampen the fears of domination and abandonment by secondary states.”³⁶

The theory presented here relies on the belief that institutions can facilitate and encourage cooperation between states. In a world lacking external authorities empowered to enforce agreements, the fear of defection or exploitation, as exemplified by the strategic game known as the “prisoner’s dilemma,” is often sufficiently high to preclude cooperative behavior.³⁷ Prospects for collaboration are further hampered by the difficulties inherent in gathering and providing information on such a large scale with so many varied actors, as well as the absence of any agreed-upon rules governing transactions.

International institutions can ameliorate many of the difficulties inherent in cooperation. By creating patterns and rules against which behavior can be judged and future actions predicted, institutions help create iterated arrangements, easing the systemic pressures toward defection which lead to the prisoner’s dilemma.³⁸ Institutions can help solve problems of market failure, by providing symmetrical information to their members, lowering the costs of bargaining as a result of issue linkages, and by the creation of “economies of scale” that result from creating persistent forums that allow for the negotiation of multiple agreements.³⁹ Regimes also help establish a standard for reputation, whereby a state’s behavior (its propensity to adhere to institutional rules or fulfill its obligations) with regard to one agreement affects the willingness of others to cooperate in the future.⁴⁰

35. Ikenberry, *After Victory*, 5.

36. *Ibid.*, 15.

37. In the classic prisoner’s dilemma, actors behaving rationally forgo the long-term benefits of cooperation so as to avoid the “sucker’s payoff.” Each actor is better off defecting no matter what the other actor does. See Morrow, *Game Theory for Political Scientists*, 78–79, and 111.

38. See Robert Axelrod, *The Evolution of Cooperation* (New York: Basic Books, 1984), esp. 12 and 16.

39. Market failure can occur when, despite the presence of an agreement that both sides would prefer, that agreement cannot be reached due to externalities, such as transaction costs, imperfect information, or an inability to communicate. For discussions of market failure, see George A. Akerlof, “The Market for Lemons: Quality and Uncertainty and the Market Mechanism,” *Quarterly Journal of Economics* 84, no. 3 (August 1970): 488–500; and Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy*, (Princeton: Princeton University Press, 1984), 85–88. For a discussion of how institutions help solve the problems of market failure, see 88–98.

40. Keohane, *After Hegemony*, 105–6.

Thus, institutions help prevent conflict by adjusting the calculations states make about their own self-interest from a short-term to a long-term view. States that are able to cooperate with others may come to believe that the potential value of future cooperative efforts may outweigh the immediate benefits that might come from war. Furthermore, “in a hegemonic order where institutions can be put into place that inhibit or constrain the exercise of arbitrary and indiscriminate power by the leading state, the power asymmetries—and the returns to power—begin to lose their full significance.”⁴¹

Realists, however, take a fundamentally different view of the power and efficacy of institutions than do institutionalists. For realists, the systemic pressures exerted upon states as a result of existing in an anarchic world undermine the potential for cooperation and make international institutions much less effective than might otherwise be possible. Since the world of international politics lacks a central authority to enforce agreements, uphold the law, and punish offenders, the potential for defection and cheating creates a heavy disincentive for states to create institutions and reach cooperative agreements.⁴² Additionally, the absence of a central authority means that states are ultimately solely responsible for their own survival.

Even if, as realists assert, institutions have few real effects of their own and merely reflect the existing balance of power, the fact remains that institutions exist, that states negotiate their creation, join them, abide by their rules, and occasionally violate their institutional obligations and commitments. Moreover, even though institutions were not likely created for the purpose of signaling, their nature allows them to function as signaling devices.

So, if institutions can in fact impose costs on states, they can be instrumental in the creation of a separating dynamic, wherein status quo states will agree to join and abide by the rules and obligations of an institution, while a revisionist state will not. There are several ways in which international institutions can impose such costs. Institutions can create obligations to which their members commit themselves, such as eliminating certain types of weapons from national arsenals, or agreeing to international inspection processes. Institutions can create external veto points or decisions that exist above the actions of states, as with the World Trade Organization or the emergent International Criminal Court. Institutions may require states to transform their domestic political institutions in order to obtain membership, as China learned during its application for WTO membership, as Turkey has learned in its attempts to join the European Union, and as the former

41. Ikenberry, *After Victory*, 37.

42. John J. Mearsheimer, “The False Promise of International Institutions,” *International Security* 19, no. 3 (winter 1994/95): 12–13.

Warsaw Pact countries did in order to get into NATO. Institutions can exact more subtle costs as well, as international norms and laws may be internalized, changing the preferences and altering the beliefs of member states. Each of these costs make it possible for institutions to generate costly signals capable of revealing the true preferences of a state.

If one state believes that a status quo state will agree to dismantle its intermediate range nuclear missiles, submit its trade laws to the oversight of the WTO, or maintain civilian control of the military, and that a revisionist state will not take such actions, that state can fashion institutional “offers” that test whether another state will join a particular institution or abide by a particular commitment. The result of that offer serves as a signal of type. Of course, any single institutional offer is unlikely to result in a clear-cut determination of preference. Rather, assessments by the elites of one state of another state’s preference are likely to be made over time by watching the results of several institutional offers, as well as other, noninstitutionalized factors.

The traditional structural realist response to the costliness of institutions—that institutions have no inherent power and cannot force states to do anything that they would not otherwise want to do—here in fact serves to highlight the ability of institutions to function as signaling mechanisms. Whether institutions can force states to act in ways contrary to their interests, they can still reveal whether a state deems the requirements of the institution to be in line with its preferences.

Not all institutions serve equally well as signals. The strength of the signal is tied directly to the nature of the institution, which differs based on a number of factors, including the nature of enforcement (centralized, decentralized, or none), the effects of external or internal veto points on state decision making, and the ability of the institution to change domestic political institutions. The most costly type of institution, referred to herein as a Type I institution, is a constitutional commitment that supercedes individual or national sovereignty and has centralized enforcement, such as a national constitution or a hypothetical world government. Such an institution, which is exceedingly rare in international politics, and of which the European Union provides one of the few examples, would serve as the most credible signal of preference, as it would create the highest costs the most binding commitments.

A Type II institution would be one that, while not of a constitutional nature, would still change the number of external or internal veto points over a state’s decisions or would effectively alter domestic institutions. Joining and adhering to such an institution, like the WTO or the ICC, would be a highly credible signal of preference, as it would limit the unfettered exercise of national sovereignty creating both a high cost and a commitment not easily broken.

If the institution in question does not change the nature of the veto points or does not affect domestic political structures, the question must be asked whether the commitment creates decentralized costs in case of defection. If the institution does create costs, then it can be further classified as to whether it creates an institutionalized mechanism for imposing enforcement costs. A Type III institution enhances the cost of defection by creating institutionalized, albeit decentralized, methods of enforcement, such as standards for compliance or requirements for transparency, as do the Nuclear Nonproliferation Treaty and the now defunct General Agreement on Trade and Tariffs and the 1972 Anti-ballistic Missile Treaty. Such institutions create credible signals of preference, as there are some costs to joining, but the signal is not as strong as with Type I or II institutions.

If the commitment cannot create even decentralized costs, then there is no viable institution to create a costly signal. In this category can be found “behavioral” commitments, which would be one-time (rather than iterated or codified) actions with low-to-no cost of defection, such as unilateral policy declarations or speeches made in international forums, as well as institutions that have no enforcement mechanisms. A Type IV institution lacks any institutionalized mechanism for imposing costs on states. Costs may still arise as a result of reputational effects, or some other mechanism, but are extremely low and decentralized, and generate a relatively low signal of preference. Resolutions emerging from the UN General Assembly serve as an example of such an institution. Finally, “behavioral” or noninstitutionalized actions, such as those described by Kydd, do have costs, but lack the stickiness necessary to serve as costly signals.

The fact that the “costs” needed for an institution to function as a separating equilibrium are typically part of the framework and design of the institution itself points to a critical aspect of the theory of institutional signaling presented here. The theory is most applicable to hegemonic, or other extremely powerful, states who are capable, willing, and involved in the creation and conception of institutions. In order to evoke or send a signal of preference, a state needs to be able to attempt to insert costly requirements, such as on-site inspections, binding enforcement, or a particular voting scheme, into the institution during negotiations. This role typically falls to hegemonic or powerful states involved in institutional creation, although regional powers that negotiate regional institutions would be capable of institutional signaling as well, albeit on a smaller stage.

Now that it has been shown how institutions are capable of generating costs and serving as signals of preference, and having operationalized the concept of institutionalization so as to discriminate between the abilities of different institutions to impose costs, it remains to be seen how the political elites of a state use institutional “offers” to evoke credible signals of preference from other states.

HYPOTHESES ON INSTITUTIONAL SIGNALING

TWO HYPOTHESES concerning institutional signaling will be explored and tested herein. The hypotheses are:

H₁: Political elites of one hegemonic state that are attempting to determine the preferences of the elites of another potential competitor will use “institutional offers” for credible signals of type. Institutional offers will also be used by political elites to send signals of their own state’s preferences to other states.

H₂: The decisionmakers in a state attempting to evoke or send a signal of preference will respond positively to an accepted offer or to an increase in the institutionalization of offers. Either outcome will enhance the confidence that the decisionmakers have in resolving the security dilemma vis-à-vis another state with which relations were previously adversarial.

Positive responses may include:

- a) accepting agreements;
- b) expressing greater trust in the potential depth and strength of a enduring institutionalized relationship and in the mutuality of interests; or
- c) making increasing institutionalized offers in response.

Reductions in the institutionalization of a given offer, or rejection of the offer, will produce negative responses from decisionmakers.

Negative responses may include:

- a) hesitancy in accepting agreements; or;
- b) expressing doubts as to the mutuality of interests or the potential depth and strength of an enduring institutionalized relationship.

H₁ establishes that, in fact, political elites of a hegemonic power do indeed pay attention to the behavior of other states toward institutions in an effort to determine their preferences; this assumption must be the starting point for any theory of institutional signaling. In the course of negotiations surrounding a myriad of political issues, these elites will pay heed to how their counterparts in states of unknown or questionable type behave, react, and adhere to institutional commitments. They will do this intentionally and purposively, and will make comments, judgments, and political decisions based on the reactions to the institutional “offers”—an institutional “offer” being an invitation to negotiate the creation of a new institution, join an existing one, or adhere to a previously agreed-upon commitment—proffered. Since H₁ is primarily a descriptive hypothesis, and does not contain any causal mechanisms, its falsification will be largely descriptive as

well, consisting mainly of the notable lack of attention paid by political elites to the role of institutional offers.

H₂ sets out the causal mechanism of the theory of institutional signaling. The explanatory variable that drives the theory is the institutionalization of the offers, changes in which affect the actions of decisionmakers. When elites see that their institutionalized offers are being accepted, and that subsequent offers are of increased institutionalization, the elites will accept those offers, and interpret the agreement as signifying a mutuality of interests and preferences. Conversely, if offers are rejected, or returned with counteroffers of decreased institutionalization, elites will be less likely to accept those offers, and will express doubts as to the mutuality of interests and preferences between the two states.

The theory of institutional signaling described above will be examined across three cases within a single bilateral hegemonic relationship: the United States and the Soviet Union immediately following the end of the Second World War. At that time, the United States believed the Soviet Union to be a status quo state that shared a vision of postwar stability and order. Using the negotiations surrounding the United Nations and the Baruch Plan, however, as well as Soviet behavior within the UN related to the occupation of Iran by Soviet troops, the United States revised its assessment of Soviet preferences. Instead of a partner for peace, U.S. policymakers developed a view of the Soviet Union as a hostile, aggressive state and the Cold War settled over the globe.

THE ORIGINS OF THE COLD WAR

THE STORY of U.S.-Soviet relations immediately following the Second World War provides the first insights into the use of institutional signaling by a global hegemon. The United States, guided by the beliefs of President Franklin D. Roosevelt, emerged from the war convinced that the coming years would be ones of world peace, overseen and enforced by the efforts of the two remaining global powers operating through the offices of the newly created United Nations. In the space of a few years, however, this view was replaced by one that divided the world between two hostile powers with the potential for cooperation reduced to efforts to avoid a potential Third World War and nuclear annihilation. How this transformation occurred is a tale intricately wrapped up in the efforts to create new international institutions. The negotiations surrounding, and the ultimate Soviet reactions to and within, the UN served to foster a view within the minds of top U.S. foreign policy elites of the true preferences of the Soviet Union. Where it had originally been surmised that the Soviets were interested in global cooperation and international peace and stability, by 1949 American decisionmakers

had become convinced that the Soviet Union did not share Roosevelt's vision of postwar cooperation. Rather, it appeared that the Soviet Union was interested in spreading Communism, the global expansion of Soviet power, and eventual confrontation with the Western powers. Thus, the hopes that had been created with the end of the war and the establishment of the UN quickly dimmed into the slow burn of the Cold War.

THE CREATION OF THE UNITED NATIONS

The negotiations over the creation of the United Nations serve as an excellent application of institutional signaling theory, as they enabled the United States to both send a signal of its own preferences as well as to evoke a signal from the Soviet Union. U.S. policymakers were clear from the beginning that the weaknesses and failures of the League of Nations enabled the Second World War, a view evidenced by Clark Clifford's (a top aide to President Truman) statement that failure "to ratify American membership in the League of Nations . . . had been a root cause of the Second World War. Losing the peace after winning the war had to be avoided this time around, and I believed completely in [the UN]."⁴³ Now, the world community was presented with an opportunity to remake the face of international politics. Roosevelt's vision of an international institution comprising the world powers working together to ensure international peace and security could now be realized. Voluntarily restraining its own power within a Type II institution would serve as a powerful signal that America was willing to put the collective good before its own narrow self-interest, and of its commitment to an international order governed by rules, not just power, as predicted by H₁.⁴⁴

Despite the obvious failures of the League of Nations during the interwar period, many political leaders were optimistic that, following the defeat of Germany and Japan, a collective security institution could be created to address the world's problems and provide order and stability to the international system. Furthermore, it appeared that U.S. domestic opinion demanded the creation of an international organization if America was to remain engaged in world affairs instead of withdrawing back into isolationism. The necessity of fighting the German threat had forced the United States and the Soviet Union together, and the end of that threat presented a grand opportunity to remake the face of international politics.

These views, combined with Roosevelt's postwar vision of cooperation and understanding, make it easy to see why there was such optimism surrounding

43. Clark Clifford, *Counsel to the President* (New York: Random House, 1991), 48.

44. If the UN was to function as a Type II institution, the decisions of the Security Council could not be subject to a veto by one of the permanent members. As will be discussed below, this was the original position of American (as well as British) policymakers.

the creation of the UN. Roosevelt's idea for ensuring the stability of the postwar order revolved around his notion of the "four policemen." In this conception of international politics, the United States, the Soviet Union, and to a lesser degree Great Britain and China (France being too devastated from the Second World War to be considered a great power at the time) would use their military, economic, and political might in concert to maintain and protect world order. As Amos Perlmutter wrote, "the entire thrust of Roosevelt's diplomacy was the creation of a partnership with the Soviet Union in which the two allies would dominate the postwar world through a United Nations that would assure the idealistic nature of the enterprise."⁴⁵ The newly created United Nations would be the vehicle by which the "policemen" would apply their power, forcing them to work together and curtail their own self-interest in order to achieve international stability.

American policymakers seemed to take seriously the idea that global peace and security could best be maintained through a strong multilateral international organization. As early as 1942, Secretary of State Cordell Hull noted that a primary mechanism necessary for maintaining international peace and security was an "international agency" capable of using force, regulating the trade and possession of armaments, and mediating the peaceful settlement of disputes.⁴⁶ In an address to a joint session of Congress on 18 November 1943, Hull went on to note that the continued cooperation of the Four Powers would be "the foundation stone upon which the future international organization will be constructed," and "there will no longer be need for spheres of influence, for alliances, for balance of power."⁴⁷

As predicted by hypothesis H₁, American policymakers also saw the process of creating the UN as a golden opportunity to divine Soviet preferences and intentions in the postwar world. While Roosevelt believed in the benign intentions of the Russians, others in his administration desired to test the Soviets to determine their true nature. In a memorandum dated 9 August 1943 entitled "International Activities in which the United States must Participate to Reestablish and Maintain Peace and to Promote the General Welfare," Hull wrote that "the sooner and more fully we test out Moscow's intentions, the clearer will be our own tasks, as well as the possibilities open to us. Affording Moscow an opportunity to participate fully at all stages of preparation and action will provide an excellent test of this sort. . . . On the other hand, if it should happen that Moscow [is] reluctant to participate in a comprehensive procedure, the need for creating a closely knit agency of cooperation among the other United Nations will become even more emphatic." An added benefit, he noted, would be that American involvement and participation

45. Amos Perlmutter, *FDR and Stalin: A Not So Grand Alliance, 1943–1945* (Columbia, Mo.: University of Missouri Press, 1993), 64.

46. U.S. Department of State *Bulletin* 7 (8 July 1942): 639–47.

47. U.S. Department of State *Bulletin*. 9 (20 November 1943): 341–45.

in the creation of such an organization would reveal U.S. benign intentions to the rest of the world, by demonstrating that the United States was willing to voluntarily restrict its own power in order to achieve international stability.⁴⁸

Despite the initial optimism surrounding both the creation and the future of the UN, negotiations quickly bogged down on several issues, the most important (and relevant) of which was the question of veto power. The first draft constitution of the UN, presented to President Roosevelt in January 1943, detailed what was to become the basic American position throughout the negotiation process. It called for an Executive Committee, ranking above the General Assembly, with which rested the ultimate decision of when and how to use force. The committee would consist of the Big Four, who would enjoy permanent status on the committee, along with seven other nations whose membership would rotate, affording every member the opportunity to serve at the highest level. The decision to use force to execute the will of the organization would require nine of the eleven members to agree, including three of the Big Four states.⁴⁹ This ensured that a single major power could not block the use of force, even against itself, in the face of international consensus.

With the advantage of hindsight, it is easy to dismiss as absurd and unworkable the idea of a Security Council without the absolute veto right that was so often employed during the cold war. Yet, this is exactly what both the United States and Great Britain envisioned for the United Nations. It is important to remember that the UN, as originally envisioned, was not to have a role in the internal affairs of states, as it does now. Rather, the UN was designed and intended to prevent the recurrence of major interstate war, something that both the United States and the Soviet Union had an interest in preventing. Therefore, a majority of State Department officials involved in the creation of the UN believed that no state should be able to veto action in a case that involved that state, especially as the ability of a major state to veto action against itself would create fears of exploitation and unfairness in the eyes of smaller states.⁵⁰ This belief was manifested at the first Dumbarton Oaks Conference, on 28 August 1944, when the United States and Great Britain proposed that the Big Four powers “should put [themselves] on the same plane” as smaller states, meaning that they would not have the ability to veto resolutions concerning themselves.⁵¹ It was this proposal that ultimately served as

48. Memorandum written by Cordell Hull, 9 August 1943. Cited in Ruth Russell, *A History of the United Nations Charter: The Role of the United States 1940–1945* (Washington, D.C.: Brookings, 1958), 118.

49. Townsend Hoopes and Douglas Brinkley, *FDR and the Creation of the UN* (New Haven: Yale University Press, 1997), 68.

50. Russell, *A History of the United Nations Charter*, 198.

51. Hoopes and Brinkley, *FDR and the Creation of the UN*, 147.

the first institutional signal alerting American policymakers to begin shifting their analysis of Soviet preferences.

Not surprisingly, the Soviets rejected this offer, responding with a demand that all sixteen Soviet republics be admitted to the UN as separate states (a demand which FDR claimed “imperiled the whole project”).⁵² From a policy perspective, the Soviet insistence on an absolute veto stemmed from Soviet paranoia and a fear of being ganged up on by the capitalist democracies, who would outnumber the Soviet Union in the new body by four votes (including nationalist China and eventually France).

The Soviet rejection, however, was seen as reflecting a fundamentally different view of the postwar world, and as a signal of Soviet preference for confrontation over cooperation, for regionalism over universalism, and for spheres of influence and balance of power over collective security. The British War Cabinet informed Prime Minister Winston Churchill that they viewed Soviet rejection of the veto proposal as evidence of Russia’s unsuitability as a global “policeman” and that the entire veto issue served as a “necessary test of will regarding the postwar distribution of power in Europe.”⁵³ Their American counterparts in the State Department agreed, regarding Soviet intransigence as a foreboding sign of Stalin’s determination to control and dominate Eastern Europe.

The Soviet rejection was countered with an American proposal to establish a great-power veto over all questions of sanctions or the use of force, but to leave issues of procedural matters (essentially what the Security Council would discuss) to be decided by a vote of seven of the eleven members. Once again, the Soviets rejected the proposal, and once again, U.S. policymakers gravitated toward a dispositional interpretation, with W. Averell Harriman, the U.S. ambassador to the Soviet Union, noting that “. . . it seems doubtful whether [the Soviets] believe that [the UN] can be useful to them in settling disputes between them and other countries through mediation of judicial processes.”⁵⁴

Finally, at the San Francisco Conference, which began on 25 April 1945 and culminated in the creation of the United Nations, the two sides were able to reach agreement as to the question of the great power veto. The Americans and British came to San Francisco again pushing their proposal of differentiating between procedural and substantial questions, only the latter of which would be subject to a great power veto. On 1 June, the Soviets again rejected this proposal, arguing that unanimity of the great powers was the single most important element for ensuring

52. Ibid.

53. Ibid., 153.

54. U.S. Department of State, *Foreign Relations of the United States: The Conferences at Malta and Yalta, 1945* (Washington, D.C.: U.S. Government Printing Office, 1972), 65–66 [hereafter referred to as FRUS].

international peace and stability.⁵⁵ Secretary of State Edward Stettinius, however, refused to bow to Soviet pressure, and insisted that the great powers make some concessions to the smaller ones. Furthermore, stifling free speech within the community of states was hardly a promising beginning for an institution intended to promote peace, harmony, and understanding. Finally, Stalin backed down, and the Soviets agreed to the amended veto power, which would render it impossible for a single state, even one of the permanent members of the Security Council, to prevent an issue from being discussed.

In the negotiations surrounding the creation of the United Nations at the Dumbarton Oaks Conference, Soviet insistence on the great power veto over any action by the Security Council should, according to the theory presented here, have been a signal to U.S. decisionmakers that Soviet preferences did not tend toward international cooperation. Additionally, as this was one of the first institutional negotiations, this should have been one of the first times that U.S. policymakers would begin to question Soviet intentions. Indeed, U.S. secretary of state Cordell Hull notes that both he and Truman saw the Soviet objections as not only troubling but potentially revelatory of their true preferences. Hull wrote that "it was not until the meeting at Dumbarton Oaks, when the deadlock rose between us and the Russians over the voting procedure in the Council . . . that any question developed in the mind of the President and myself about Russia's failing to go forward as a cooperative and working member of the proposed UN organization."⁵⁶ W. Averell Harriman confirms that this was indeed a pivotal moment in U.S.-Soviet relations, writing that Soviet insistence on the veto caused him to begin "to wonder whether Stalin and the Kremlin have determined to reverse their policy of cooperation with their western allies . . . and to pursue a contrary course."⁵⁷

Despite the eventual compromise, many in the U.S. policymaking establishment saw reason for concern in the continued intransigence of the Soviets. Secretary of the Navy James Forrestal noted that Secretary of War Henry Stimson used the San Francisco Conference as a means "to find out the extent to which [the Soviet Union] would join with Britain and [the United States] in making a stable world."⁵⁸ The lesson Stimson drew from the debate over the veto issue was that the Soviets did not, in fact, share the same vision of postwar superpower collaboration for the sake of international peace and stability as did the United States and the United Kingdom. As one case is likely insufficient to crystallize an assessment, however,

55. Russell, *A History of the United Nations Charter*, 731.

56. Cordell Hull, *Memoirs*, vol. 2 (New York: Macmillan, 1948), 1469.

57. W. Averell Harriman and Elie Abel, *Special Envoy to Churchill and Stalin, 1941–1946*, (New York: Random House, 1975), 345.

58. James Forrestal, *The Forrestal Diaries* (New York: Viking, 1951), 200.

policymakers in the U.S. government were not yet ready to give up on Roosevelt's vision, or on their assessment of the Soviet Union as a status quo power, willing and able to restrain its own interests for the good of the international community. That adjustment would not occur until American policymakers had a chance to observe Soviet behavior in several other institutional settings, including the first test of the UN over the issue of Soviet troops in Iran and the negotiations over the Baruch Plan.

THE BARUCH PLAN

The proposal to create an international institution to control atomic research and weapons development served as another opportunity for the United States to signal its intentions as well as to evoke signals of preference from the Soviet Union. As initially envisioned, the Baruch Plan would have been a Type II institution, with the ability to sanction and punish violators without the obstacle of a veto. By proposing such a bold and authoritative institution, the United States sent a powerful signal that sovereignty and self-interest would not stand in the way of remaking the world according to Roosevelt's vision.

The near total devastation of Hiroshima and Nagasaki stunned the world, and quickly led to an international effort to control both peaceful and military applications of atomic energy. American recognition of the need for international control of atomic technology, however, had begun at least a year before the use of the weapons. Vannevar Bush, the head of the Office of Scientific Research and Development, and James Conant, the chairman of the National Defense Research Committee, both of whom filled leadership roles on the Manhattan Project, were recommending as early as April of 1944 that "the only hope for humanity is an international commission on atomic energy with free access to all information and rights of inspection."⁵⁹ A report written in late 1944 by a committee made up of several Manhattan Project scientists emphasized "the necessity for all nations to make every effort to cooperate now in setting up an international administration with police powers which can effectively control at least the means of [atomic] warfare."⁶⁰ In March of 1945, U.S. secretary of war Henry Stimson informed President Roosevelt of his belief in the necessity of "international control based upon freedom of science and of access."⁶¹

After the war, the debate over the international control of atomic energy and weapons became more directed and public. On 3 October 1945, Truman, in an

59. Joseph I. Lieberman, *The Scorpion and the Tarantula: The Struggle to Control Atomic Weapons—1945–1949* (Boston: Houghton Mifflin, 1970), 44.

60. *Ibid.*, 46.

61. *Ibid.*, 59.

address before Congress, affirmed the American commitment to an international agency controlling nuclear weapons.⁶² The following month, Truman, Canadian prime minister Mackenzie King, and British prime minister Clement Attlee issued the Three Nations Declaration, which suggested that the United Nations create a committee to prepare recommendations for establishing an organization to control atomic energy “to the extent necessary to insure its use only for peaceful purposes,” to eliminate “from national armaments atomic weapons and all other major weapons adaptable to mass destruction,” and to create “effective safeguards by way of inspection and other means to protect complying States against the hazards of violations and evasions.”⁶³ The American commitment to these principles was further established in a Top Secret internal State Department memo stating “We are prepared to share, on a reciprocal basis with others of the United Nations, detailed information concerning the practical industrial application of atomic energy just as soon as effective enforceable safeguards against its use for destructive purposes can be devised.”⁶⁴

The eventual compromise over the veto in the Security Council had left the members of the United Nations, and especially the United States, with a sense that cooperation among the great powers was possible and could lead to a more peaceful world, albeit one tempered by the Soviet refusal to acquiesce in the original U.S. and U.K. proposals. Soviet intransigence over the veto issue had been largely forgiven by most U.S. policymakers, who preferred to focus on the compromise as well as on the fact that the new organization seemed more inclusive and capable than its predecessor, the League of Nations. Creating an international agency under UN auspices for the purpose of controlling atomic research and weapons development appeared to offer the perfect test of both the commitment of the great powers to curtail their own self-interest in pursuit of international peace and security and of the ability of the UN to facilitate that commitment.

The Soviets quickly threw a bucket of cold water on the project. On 27 December 1945, the Soviet Union agreed in principle to the Three Nations Declaration, but added the stipulation that it expected the UN Atomic Energy Commission (UNAEC) to operate under the UN Security Council and to be subject to the veto power possessed therein.

Again, it is hard to imagine given hindsight and the knowledge of the U.S.-Soviet rivalry during the Cold War that the United States would have been willing to cede its monopolistic control of atomic weapons to an international agency empowered

62. Leneice Wu, *The Baruch Plan: U.S. Diplomacy Enters the Nuclear Age*; Congressional Research Service Report (Washington, D.C.: U.S. Government Printing Office, 1972), 12.

63. Lieberman, *The Scorpion and the Tarantula*, 174.

64. FRUS, 1946, vol. 1 (Washington, D.C.: U.S. Government Printing Office, 1972), 713.

to punish violators with military force, but that is exactly what was proposed under the Baruch Plan. It is the reason that, once again, Soviet insistence was seen not only as an impediment to creating a successful organization, but also as a strong signal of preference.

Despite the initial Soviet demand for the maintenance of the veto, the United States moved to create a highly institutionalized, Type II organization for the task at hand, with an extremely high cost of violation and one that changed both domestic and international veto points. A draft statement by John M. Hancock, a member of the U.S. delegation to the UNAEC, dated 4 June 1946, set out the basic parameters of the organization envisioned by U.S. policymakers. In the statement, Hancock proposed that a newly created Atomic Development Authority (ADA) would assume ownership of the entire world supply of both uranium and thorium, and maintain complete managerial control of the production of fissionable material. Furthermore, the ADA would have sole authority to conduct research into atomic energy, whether for peaceful or military purposes, and would have the right to conduct regular as well as “surprise” inspections to ensure that the rules were being followed.⁶⁵ This draft eventually became the basis for the Baruch Plan when Truman initialed it, turning it into an official statement of U.S. policy, and sent it on to Bernard Baruch, the American representative to the UNAEC.⁶⁶ Baruch also received the support of the U.S. military establishment on 11 June 1946, when Admiral William Leahy, then chief of staff to the commander-in-chief of the Army and Navy, agreed that the UN should require only a simple majority vote, not subject to veto, in order to authorize hostilities, including the use of nuclear weapons, against violators of the Baruch Plan.⁶⁷

On 14 June 1946, the Baruch Plan was officially unveiled before the UNAEC by Bernard Baruch. Baruch insisted that any institution entrusted by the international community to control atomic energy and weapons must be able to provide “immediate, swift, and sure punishment of those who violate the agreements that are reached by the nations.”⁶⁸ The Plan called for the establishment of an International Atomic Development Authority (IADA) “to which should be entrusted all phases of the development and use of atomic energy, starting with the raw materials and including:

1. Managerial control or ownership of all atomic energy activities potentially dangerous to world security.

65. *Ibid.*, 827–33.

66. *Ibid.*, 846.

67. *Ibid.*, 852.

68. Barnard Baruch, “The Baruch Plan,” speech before the United Nations Atomic Energy Commission, 14 June 1946. Available at www.nuclearfiles.org/docs/1946/460614-baruch.html.

2. Power to control, inspect, and license all other atomic energy.
3. The duty of fostering the beneficial uses of atomic energy.
4. Research and development responsibilities of an affirmative character intended to put the Authority in the forefront of atomic knowledge and thus to enable it to comprehend, and therefore to detect, misuse of atomic energy. To be effective, the Authority must itself be the world's leader in the field of atomic knowledge and development and thus supplement its legal authority with the great power inherent in possession of leadership in knowledge.

Baruch went on to propose that all nations cease production of atomic weapons, that all existing weapons be disposed of by the ADA, and that penalties be established for "illegal possession or use of an atomic bomb, illegal possession of atomic material, willful interference with the activities of the Authority, and creation or operation of dangerous projects in a manner contrary to, or in the absence of, a license granted by the international control body."⁶⁹ Furthermore, "there must be no veto to protect those who violate their solemn agreements not to develop or use atomic energy for destructive purposes." Finally, as mentioned in the statement of U.S. policy Baruch received from Truman, the IADA was to assume control over the entire global supply of uranium and thorium, to exercise control of the production of fissionable material, and to have the sole right to conduct research into atomic weaponry.

Excitement over the introduction of the Baruch Plan proposals was quickly dampened when, on 19 June 1946, the Soviets revealed their response. Andrei Gromyko, the Soviet deputy foreign minister and representative to the UN Security Council, announced that the suggestion to remove either the UNAEC or the IADA from under the aegis of the Security Council veto was completely unacceptable to the Soviet Union. He stated that "efforts made to undermine the activity of the Security Council, including efforts directed to undermine the requirements of unanimity of the permanent members of the Security Council, upon questions of substance are incompatible with the interests of the United Nations."⁷⁰ Gromyko followed this with a speech before the UNAEC in July where he declared that international inspections were fundamentally incompatible with the Soviet understanding of the principle of sovereignty.⁷¹

Bernard Baruch responded to Gromyko's speech with an address of his own before Freedom House in October. In comments revelatory of the American willingness to constrain its own sovereignty within a Type II institution, Baruch emphasized the necessity of placing the U.S. nuclear program and security interests

69. Ibid.

70. Wu, *The Baruch Plan*, 17.

71. Ibid., 33–34.

under the will of the international community. He also countered the Soviet interpretation of national sovereignty, stating that “every treaty involves some diminution of absolute national sovereignty, but nations enter into such treaties of their own free will and to their common advantage. Indeed, freedom to enter into such voluntary international arrangements is inherent in the very concept of national sovereignty.”⁷²

From the American perspective, the Russian proposal was intended to create an international agreement of an extremely delicate nature with enforcement left in the hands of individual national governments. There were to be no serious efforts at prevention, inspection, or punishment. In effect, the Soviet response was to propose a Type IV institution to counter the Type II organization outlined in the Baruch Plan. Not only would this institution be insufficient to guarantee national security in the face of regime failure, but such a weak institution would not be able to generate credible signals of preference.

While the question of inspections and the intrusive nature of any control regime was certainly important, another problem separated the positions of the United States and the Soviet Union—that of the timetable for disarmament. The Soviets were loathe to cede control of their fledgling nuclear program without credible assurances that the United States would not only submit to the same controls but would also give up control of any and all atomic weapons. Furthermore, the Soviets feared being exploited by a noncompliant United States once the Soviet Union had submitted to the international regime. Thus, the Russian counterproposal insisted that all American nuclear bombs be destroyed as soon as possible after the creation of international controls.⁷³

Being the only country to possess an advanced atomic program, however, as well as functional atomic bombs, the United States was hesitant to dismantle its program and give up its weapons prematurely. The main fear was that other countries would covertly continue atomic research and weapons development, leaving a disarmed United States at a disadvantage. Therefore, the United States wanted to wait to give up its nuclear program and weapons until after safeguards and inspections had been implemented over the atomic programs of the other states.⁷⁴ As originally written, the Baruch Plan provided that the UNAEC would only assume control over American nuclear weapons after it had established jurisdiction over the Soviet program.⁷⁵

72. Ibid.

73. Ibid., 47.

74. Ibid.

75. Henry D. Sokolski, *Best of Intentions: America's Campaign Against Strategic Weapons* (Westport, Conn.: Praeger, 2001), 19.

This gulf would prove to be impossible to cross. The Americans tried to save the Baruch Plan by proposing to move the ADA outside of the auspices of the UN to avoid diminishing the veto power of the UN Security Council, but the Soviets rejected this offer and continued to insist on the primacy of the Security Council and the essential nature of great power unanimity.⁷⁶ From the Soviet perspective, the Baruch Plan, with international inspections and a suspension of the Security Council veto, threatened to undermine the compromise reached at the San Francisco conference that distinguished between substantive and procedural issues. Additionally, as in the negotiations over the UN Security Council voting procedures, the Soviets believed that they could not trust their security to an institution in which they would be in the minority.⁷⁷ Despite the seemingly legitimate political issues couched in the Soviet concerns, however, American policymakers gravitated to a dispositional interpretation of the Soviet counterproposal. Shortly after the unveiling of the Soviet counterproposal, Walter Bedell Smith, the U.S. ambassador to the Soviet Union, wrote in a telegram to Baruch that the disagreement over the nature of the organization represented an excellent opportunity to divine the true intentions of the Russians: "If the USSR accepts [the Baruch Plan], well and good, we shall have attained the millennium. If the USSR equivocates or refuses, the Soviet pretensions will be exposed for what they are worth."⁷⁸

This view was echoed by George F. Kennan in July 1946 in a memo sent to Undersecretary of State Dean Acheson. In the memo, entitled "The Soviet Position with Respect to International Control of Atomic Energy," Kennan asked and answered a series of questions, one of which wondered why the Russians were so averse to a limitation of the Security Council veto with regards to the Baruch Plan. Kennan's answer was that the Soviet intransigence revealed that "they have every intention to proceed independently with the development of atomic weapons" despite official and public protestations for disarmament.⁷⁹

Bedell Smith repeated his assertion about Soviet preferences in a Top Secret internal memo sent to H. Freeman Matthews, the Director of the Office of European Affairs, U.S. Department of State, on 9 November 1946. Smith wrote:

... [if] non-Soviet world opinion is mobilized behind the United States, we should be able to put the Russians on the spot sufficiently, if not to force adequate control and inspection measures, at least to place our own good faith indelibly on record and expose Soviet 'peaceful intentions' for

76. Lieberman, *The Scorpion and the Tarantula*, 311.

77. Adam B. Ulam, *Expansion and Coexistence: Soviet Foreign Policy 1917-73* (Fort Worth, Tex.: Holt, Rinehart, and Winston, 1974), 416.

78. Lieberman, *The Scorpion and the Tarantula*, 314.

79. *FRUS*, 1946, vol.1, 863.

what they are worth and thereby awaken the non-Soviet world to the peril which now threatens it.⁸⁰

In December, 1946, Charles E. Bohlen, the Special Assistant to the Secretary of State, in another Secret memo to Matthews, expressed his agreement with Smith's opinion.⁸¹

During the course of the negotiations, Bernard Baruch came to question his previously held beliefs about Soviet cooperative and benign preferences. Despite Russian protestations, Baruch believed that "the Russians could not argue that the American proposals were unworkable, or that they did not provide the protection to which all nations were entitled." Thus, he concluded, Russian hesitation to agree to the Baruch Plan was not based on legitimate disagreements over implementation or timing, as claimed by the Soviets, but rather stemmed from fundamental disagreements about the shape of the postwar world.⁸²

Ultimately, little was to come of the negotiations over the Baruch Plan. Debate over the Plan was delayed due to the emergence of the issues of the partitions of India and the British Mandate of Palestine. In the summer of 1948, the Soviets vetoed the proposal to create the UNAEC. In the fall, the UN General Assembly passed the UNAEC by a vote of 40-6-4, but the resolution was merely a nonbinding expression of opinion. Finally, in November of 1949, the UN formally suspended the work and further development of the UNAEC. The Baruch Plan, and with it the hopes for the international control of atomic weapons, was dead. It had, however, served a valuable purpose for U.S. decisionmakers, who were moving further away from the view of the Soviet Union as a partner for peace as a result of Soviet responses to American institutional offers.

THE SOVIET OCCUPATION OF IRAN

The first real test of the UN ability to maintain international peace and stability was the dispute surrounding the presence of Soviet troops in Iran following the conclusion of the Second World War. The negotiations over the creation of the UN and the proposals for the Baruch Plan had afforded U.S. policymakers a chance to assess the Soviet stance toward the basic structure and purpose of international institutions, but the Iran crisis provided the first opportunity to test Soviet willingness to conform to already agreed-upon institutional commitments.

80. Ibid., 1016.

81. Ibid., 1103.

82. Bernard Baruch, *Baruch: The Public Years* (New York: Holt, Rinehart, and Winston, 1960), 374.

Occurring nearly simultaneously with the negotiations surrounding the Baruch Plan, the Soviet occupation of Iran became the first test of the fledgling United Nations. As introductions go, the UN could not have asked for a more difficult one, as Iran's request for help in dealing with the Soviet occupation went right to the heart of the fundamental problem faced by the UN. The Iran issue threatened to undermine the power and legitimacy of the UN by alienating one of the great powers, without whom the UN would likely be no more capable of maintaining international peace and security than was the League of Nations. If, however, the UN refused to challenge the Soviets and proved unable to enforce its own rules and obligations, how would the new international organization be able to convince smaller states that it would be able to represent and manage their interests and security?

The issue began on 25 August 1941, when 40,000 Soviet and 19,000 British troops invaded Iran as a precautionary measure to prevent the strategically valuable land and all of its oil from falling into Nazi hands.⁸³ On 29 January 1942, Britain, the Soviet Union, and Iran signed the Tripartite Treaty, which stipulated that the signatories would respect the "territorial integrity, sovereignty, and political independence" of Iran. The treaty further established that the Allied powers would withdraw all occupying forces from Iran no later than six months after the signing of an armistice ending the Second World War.⁸⁴

As the war began grinding to an end however, it became apparent that the Soviets were violating the terms of the Tripartite Treaty, not only in spirit but in letter. The case was first brought before the United Nations on 19 January 1946, when Sayid Hassan Taqizadeh, the head of the Iranian delegation to the UN, submitted a letter to the UN calling for an investigation into claims of Russian interference in Iranian internal affairs. The Soviets quickly answered, asserting that their extended occupation was legal under the Tripartite Treaty as well as an Irano-Soviet Treaty signed in 1921. The issue was further complicated when the Iranian government collapsed with the resignation of President Hakimi.

Taqizadeh responded to the Soviet assertions by revealing the distorted interpretations of the treaties being used by the Soviets. Specifically, the 1921 treaty only permitted Soviet troops to occupy Iran if Russian borders were under a direct and immediate threat by a third power who was in turn occupying Iran.⁸⁵ Since no such threat existed, Taqizadeh demanded that Soviet troops evacuate Iran by 2 March 1946, six months from the date of the surrender of Japan. Andrei Vyshinsky, the chief of the Soviet delegation to the UN, replied to the Iranian demand by claiming

83. Bruce R. Kuniholm, *The Origins of the Cold War in the Near East: Great Power Conflict and Diplomacy in Iran, Turkey, and Greece* (Princeton: Princeton University Press, 1980), 140.

84. *Ibid.*, 143.

85. See Faramarz S. Fatemi, *The USSR in Iran* (Cranbury, NJ: A. S. Barnes, 1980), 94.

that bilateral negotiations were proceeding between the Soviet Union and Iran, and thus the question was not ripe for discussion within the UN or the Security Council.⁸⁶ In line with the Soviet rationale, on 30 January, the United States agreed to defer the matter pending the results of the bilateral negotiations between the concerned parties.

Little changed in the next month, until 2 March 1946, which was six months from the conclusion of the war. American and British troops had left Iran in accordance with the obligations of the Tripartite Treaty, but Soviet troops remained. On 5 March Winston Churchill gave his “Iron Curtain” speech, in which he warned of the spread of Communism and Soviet influence, and insisted that the West needed to rely on the UN to maintain world peace and confront the Soviet Union.⁸⁷ On 6 March George Kennan, then the chargé d’affaires in Moscow, delivered a formal protest to the Soviet Union over the occupation, citing Russian obligations under the Tripartite Treaty. The Soviets responded on 18 March, by moving more troops into northern Iran.

With the situation getting worse, Iran decided it was time to return the issue to international attention, and on 18 March, Hussein Ala, the Iranian ambassador to the United States, issued a new request to the UN to consider the problem of the Soviet occupation.⁸⁸ Andrei Gromyko, the Soviet deputy foreign minister and ambassador to the UN, again responded that since bilateral negotiations were taking place the UN Security Council had no jurisdiction over the issue. The United States, however, was no longer willing to defer discussion of the case, and U.S. ambassador to the UN Edward Stettinius informed the Security Council of the American intent to place the Iran issue at the head of the UN agenda.⁸⁹

Ala and Gromyko continued to disagree over the facts of the case. On 3 April, Gromyko claimed that the Soviet withdrawal was proceeding and was not connected to or dependent on any other issues or questions. Ala, however, asserted that the Soviets continued to insist upon the creation of a joint oil company as a condition for withdrawal. He added that if the Russian withdrawal was truly unconditional and was completed by 6 May, then Iran would agree not to press the issue before the UN.⁹⁰ The Security Council decided to leave the issue on the agenda, but deferred any discussion of it until after 6 May, to allow time for the Soviet withdrawal.

86. Richard W. Van Wagener, *The Iranian Case: 1946* (New York: Carnegie Endowment for International Peace, 1952), 33. Specifically, the Soviet Union claimed that as long as bilateral negotiations were on-going, the case could not be seen as a “dispute” and thus the conditions stipulated in Articles 34 and 35 of the UN Charter were not met.

87. *Ibid.*, 315–17.

88. *Ibid.*, 326.

89. Robert G. Irani, *American Diplomacy: An Option Analysis of the Azerbaijan Crisis, 1945–1946* (Hyattsville, Md.: Institute of Middle Eastern and North African Affairs, 1978), 44–45.

90. Kuniholm, *The Origins of the Cold War in the Near East*, 332.

On 6 May, Ala reported that Iran was unable to verify Soviet troop withdrawal due to undue Russian influence in the north. Two days later, the Security Council, with a boycotting Soviet Union absent, voted to extend the deferral until 20 May, at which date Iran remained unable to verify the evacuation of Russian forces.⁹¹ Finally, on 21 May, a letter from Qavam to the UN asserted that Soviet troops were indeed gone. The Security Council, however, was reluctant to trust the letter, fearing Qavam may have been coerced by the Soviets, and voted to keep the issue indefinitely deferred on the Security Council agenda.⁹² Despite the skepticism, Soviet troops were indeed withdrawn, bringing to an end the first crisis brought before the UN.

The crisis went right to the heart of the purpose and efficacy of the UN. The United States and the Soviet Union had wrangled long and hard over the question of the great power veto at the San Francisco Conference, but now the Soviets were resisting even the procedural discussions that the veto compromise had permitted. The UN was thus faced with a question of its future relevance: Would the great powers be able to set the agenda and exclude any issues that touched on their own interests? Or would the UN and the Security Council have some degree of independent power, even if they could not, due to the veto, actually force any resolutions on the superpowers? Ultimately, the choice by the United States to support Iran represented a fundamental endorsement of the processes and principles of the UN over traditional power politics.⁹³ Furthermore, it was this choice that enabled American policymakers to read meaningful signals of preference in the behavior and actions of their Soviet counterparts.

The support the United States was willing to give the UN is evident in a secret telegram from Secretary of State Byrnes to Wallace Murray, the U.S. ambassador in Iran, dated 9 January 1946. In the note, Byrnes reported that Hussein Ala had requested advance assurances that the United States would support Iran in the UN. Byrnes, however, rejected the request, noting that "the U.S. has friendly relations with both the Soviet Union and Iran, and for us to give advance commitments to either side would not be in harmony either with those friendly relations or with the spirit of the United Nations."⁹⁴

As Soviet intransigence within the UN persisted, U.S. policymakers became increasingly concerned that Roosevelt's grand vision of great power collaboration embodied in the UN would be undermined by a Soviet Union that saw the world and international security in a very different light than did the United States. On 14 March 1946, George Kennan wrote to Secretary Byrnes that the Soviets were

91. Ibid., 338–40.

92. Ibid., 340.

93. Van Wagener, *The Iranian Case*, 1.

94. *FRUS*, 1946, vol. 7 (Washington, D.C.: U.S. Government Printing Office, 1969), 292–93.

well aware that their resistance within the UN on the question of Iran would have “deep and unfortunate repercussions on great power relations and collaborations.”⁹⁵ Furthermore, a State Department Intelligence Review entitled “Soviet Policy Towards the Western Powers” agreed that while the Iran dispute was not an immediate threat to world peace, it did present problems for future international cooperation. Specifically, Soviet behavior in the UN indicated that the Soviets would only cooperate in international organizations when it was convenient to do so, and had no real interest in the spirit of international agreements or cooperation.⁹⁶

This view was shared by Admiral William Leahy, the chief of staff to the commander-in-chief of the Army and Navy. In a memo entitled “Estimate of the Policy of the Soviet Union with Respect to the United Nations,” written on behalf of the Joint Chiefs of Staff to Truman, Leahy noted that Soviet behavior in the UN over the Iran question revealed the Russian belief in fundamental antagonism between capitalism and communism, and that the actions of the Soviet Union “indicate that they joined the United Nations as a matter of political expediency and not because of a basic desire to create an international organization to stabilize relations among states.” Furthermore, “[the Soviets] look on the United Nations, not as the exclusive safeguard of world peace, but as another international arena in which they can propagandize and compete with other states for a dominant power position. They have no abstract devotion to the United Nation ideals.” Leahy went on to remark that “it appears that [the Soviet Union] will actively participate in all phases of UN activities while attempting to utilize the organization as a means of enhancing its possibilities of reaching its ultimate objective of world domination.”⁹⁷

This view of Soviet actions within the UN was fairly widespread throughout the U.S. policy community. Walter Bedell Smith, the U.S. ambassador to the Soviet Union, wrote to Secretary Byrnes in a report detailing a meeting between Smith, Stalin and Molotov that Soviet actions in the UN “caused doubts as to whether the Soviet Union really intended to support the UN as an agency for world peace.” Bedell Smith went on to describe in stark terms the possibility of a security dilemma emerging, as well as the role institutions might be able to play in easing the impending dilemma:

The fact is that we are faced in America, as is the Soviet Union, with the responsibility of making important long-range decisions on our

95. Dennis Merrill, ed., *Documentary History of the Truman Presidency*, vol. 7 (Washington, D.C.: University Press of America, 1996), 102–3.

96. *Ibid.*, 122–25.

97. *Ibid.*, 193.

future military policy, and these decisions will depend to a large extent on what our people believe to be the policies of the Soviet Union. If each of our two nations are convinced of the other's sincerity in supporting the principles of the United Nations Charter then these policies can be settled without difficulty in the way we most correctly desire. On the other hand, if both nations remain apprehensive and suspicious of each other, we may both find ourselves embarked upon an expensive policy of rearmament and the maintenance of large military establishments which we wish to avoid.⁹⁸

Bedell Smith was convinced that the UN provided a means for the two sides to divine each other's motives and build a cooperative relationship. Other decision-makers also believed that the UN provided a means to judge Soviet preferences. Clark Clifford, the special counsel to the president, wrote to Truman that "a forecast of Soviet future policy can be based on the manner in which the USSR has maintained her [institutional] agreements with [the United States]."⁹⁹

As more and more American decisionmakers became convinced that the Soviets were not committed to the ideals of the UN, they also began to interpret Soviet preferences as moving away from cooperation with the United States and toward confrontation. During the heated Security Council discussions of the Iran crisis, Stettinius wrote to Secretary Byrnes that the Soviet position undermined Russian claims of support, not only for the UN, but for their cooperative stance toward maintaining world peace.¹⁰⁰ In another memo from Clifford to Truman, Clifford wrote that the disemphasis placed on the UN by the Soviets helped to reveal the true Russian foreign policy, and that the United States needed to find ways to transform Soviet preferences toward participating in a system of world cooperation.¹⁰¹

In his memoirs, George Kennan notes that the Soviet refusal to submit the Iran case to the Security Council enhanced the receptivity of U.S. policymakers to his famous "Long Telegram." "Six months earlier this message [the Long Telegram] would probably have been received in the Department of State with raised eyebrows and lips pursed in disapproval. Six months later, it would probably have sounded redundant, a sort of preaching to the converted."¹⁰² Soviet institutional behavior had thrown sufficient doubt as to Soviet preferences into the minds of U.S. officials so that Kennan's provocative assessment of Soviet intentions could find a receptive audience.

98. *Ibid.*, 131.

99. *Ibid.*, 211.

100. *FRUS*, vol. 7, 430–31.

101. *Documentary History of the Truman Presidency*, vol. 7, 287.

102. George F. Kennan, *Memoirs 1925–1950* (Boston: Atlantic Monthly, 1967), 295.

Secretary of State James Byrnes confirms Kennan's assessment of the import of the Iran crisis in clarifying U.S. decisionmakers' opinions about Russia. For Byrnes, the Soviet occupation of Iran along with the refusal to abide by the institutional commitments made to the UN stood as indicators of an impending repeat of the Munich crises that had presaged the Second World War.¹⁰³ Soviet violations of their institutional obligations represented a "unilateral gnawing away at the status quo" that signaled that the Soviets were bent on dominating the Middle East, and were not interested in participating in a collective security organization or cooperating with the United States for the sake of international peace and stability.¹⁰⁴

It is fairly clear that by the end of 1946 many American policymakers and political elites had abandoned President Roosevelt's vision of the Four Policemen working together to ensure world peace and harmony. Over the course of three institutional offers—the creation of the UN, the negotiations over the Baruch Plan, and the Iran crisis within the UN—the United States had, in the minds of its decisionmakers, set out its own commitment to international cooperation and institutionalization, only to have the Soviets dissemble, protest, waver, and ultimately undermine those commitments. The institutional offers did, however, serve a valuable purpose in enabling the Americans to develop a new assessment of the preferences and intentions of the Soviet Union.

INSTITUTIONS AS CREDIBLE SIGNALS

INTERNATIONAL INSTITUTIONS play an critical part in determining with whom states shall cooperate and of whom they must remain wary. Institutions have a much more vital role in maintaining international peace and security than realists ascribe to them, but do so in a much different manner than institutionalists assume. States do not react only to calculations of power. Institutions may or may not be capable of transforming the relations between states, but they can be used, as is demonstrated here, to force states to reveal their underlying preferences toward the status quo. Once a state has been exposed in how it views its own security requirements, other states can begin developing appropriate foreign policies.

Between 1945 and 1946, the Soviet Union did not change its capabilities much, and yet the United States radically adjusted its assessment of its relationship with

103. Robert L. Messer, *The End of an Alliance: James F. Byrnes, Roosevelt, Truman, and the Origins of the Cold War* (Chapel Hill: University of North Carolina Press, 1982), 195–99.

104. *Ibid.*, 189.

the Soviet Union, and not just because Germany and Japan had been defeated. Despite U.S. attempts to engage the Soviets in new international institutions intended to transform the global environment and better provide for world peace and security, the Soviet Union clung to and insisted upon a more traditional conception of sovereignty and self-interest in which international institutions could not be allowed to supersede the rights of states. For the Americans, the new organizations represented a novel approach to international politics; they represented a break with the power politics of the past that had led to the world wars. At every opportunity, however, in reply to each and every institutional offer, the Soviets attempted to reduce the institutionalization of the relationship. As set out in the theory of institutional signaling presented here, such actions produced negative assessments of preference and intentions by American policymakers. These assessments enabled the United States to determine, rightly or wrongly, that the Soviet Union was an implacable enemy, with whom accommodation could not be possible. Despite the successes in demonstrating the validity of the hypotheses presented here, there is still work to be done in refining and improving this theory. One direction for future research would be to determine how much strength decisionmakers give to institutional signaling relative to other types of signals. In the period between the end of the Second World War and the beginning of the Cold War, U.S. policymakers received numerous signals from multiple sources as to the preferences of the Soviets. Which ones mattered most? I hope to be able to engage this question in a subsequent project.

The concept of institutionalization presented here is, I believe, a critical tool in understanding how and why institutions matter. Not all institutions matter equally as a signal of preference. Careful attention must be paid to the design of the institution. How strong is it? How are its rules and obligations enforced? These questions, in fact, help root the theory largely in realism. Power does indeed still matter, both in the ability of states to negotiate and create institutions that reflect their interests and in the ability of institutions to function as signaling mechanisms. By bridging realism and institutionalism, this theory of institutional signaling can provide a useful foreign policy tool, and help understand why states spend so much time and energy negotiating institutions, and seem to care so much about what happens within them.

For example, the theory sheds a slightly different light on the recent row in the UN over Iraq between the United States and the United Kingdom, on one side, and France and Germany, on the other. When viewed through the lens of my theory, the disagreement becomes about more than conflicting approaches to the immediate problem of Iraq's nuclear, chemical, and biological weapons. Rather, the confrontation in the UN signals that the two sides may have fundamentally different understandings of how to best provide for their own security. This is not

to say the United States and France will come to regard each other as enemies, but that the mutuality of their interests may have its limits. Achieving a more nuanced and careful insight into the preferences of other states is an important goal for understanding international politics, one in which this theory hopes to play a part.