

Q8 Write short notes on the following:

(a) Dollar diplomacy (b) Eisenhower doctrine (c) U-2 incident

Group 1 / 1st

## Introduction

In the age of interdependence and interconnectedness in the world at large, dollar diplomacy emerged as a means to increase US influence in the world. Dollar diplomacy strayed away from militarisation and use of force to investment and financial means to attain power and influence, particularly in the Asia-Pacific region. In this answer dollar diplomacy will be discussed.

## Constituents of Dollar Diplomacy

### Investing in foreign markets

The dollar diplomacy encouraged investment in foreign markets especially in Asia. This would entail that the US would wield economic power in the area outside its immediate territory and increase its scope of influence.

### Encouragement of banks to pour money abroad instead of saving in domestic market

Banks were encouraged to invest money abroad so they could have assets in foreign countries. Domestic saving was not



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encouraged as it led to no political and economic influence

## Scope to make the US dollar an international currency

The objective of dollar diplomacy was to attain international status. The US dollar was envisioned and aimed to become the international currency which would have significant hold on the international market and increase US power and influence.

## Increase Economic Political Influence abroad

The US diplomacy would increase political influence because economic and political ties are closely linked. Thus, Taft wanted to economically and politically wield US power.

## US Diplomacy criticized critical analysis Wilson disapproval

Wilson critically did not approve of dollar diplomacy. He did not see much scope of investing abroad and encouraged US divestment from Asia such as Japan and China. He felt that dollar investment would be fruitless and put US money at stake.



## Dollar diplomacy holds water

Taft's vision was later seen ~~off~~ and economic influence became a means to exert influence abroad through loans and investment. Taft's vision was credible and ultimately successful. This can be seen by the fact that it was adopted on a large scale by the successive US governments in the future.

## Conclusion

In conclusion, dollar diplomacy was started by the Taft administration. It ~~proved to be~~ was approached with caution but proved to hold credibility and increased US influence. It ~~also~~ made US dollar an international currency, expanded US influence worldwide and increased the economic and political power of the US.



## Q8(c) Introduction

Mistrust and threat of war soaked the political arena of the world. The Cold War was an battle indirect conflict between the US and USSR where multiple means were adopted to gain influence and power over the other. The Each country watched the other like a hawk so that they would always be ready in case of attack. The U-2 incident was an espionage mission carried out by the US to ~~test~~ they to decipher ~~how~~ the military and nuclear strength of the USSR which resulted in an embarrassing end for the US. This will be discussed in the answer.

### Reasons for the ~~US~~ U-2 incident

#### Military preparedness in case of attack

The US and USSR were engaged in a Cold War and ~~there~~ threats existed with military capabilities. The US wanted to spy and collect information on the USSR so that they would be prepared for military attacks.

#### Tally the claims of USSR military capabilities

The USSR claimed to have significant military advancement and capabilities. The U-2 incident



was used to try to check if their claims were true which they were not.

## No outright battle

The U-2 was not to attack the USSR as the cold war entailed no outright military strikes but it was used for reconnaissance.

## The U-2 incident events

### Shot down to the ground upon detection

The U-2 plane was shot down by the USSR when the radar detected it in its airspace. Previously, it could not be reached as the missiles could not be launched 13 feet into the atmosphere but with increased capabilities, it was shot down.

### Taking Gary Powers as a hostage

Gary Powers was the pilot of the U-2 he flew over USSR in 1960. The USSR struck the plane down and captured the pilot alive who confessed to espionage for a behalf of the US government.



## Denial of the US government

The US government denied that the U-2 was for espionage but rather for other reasons (weather detection) and had flown off-course into the USSR territory. This was quickly proved wrong. The US government thought assumed the Powers would have died as he had a vial of poison to take in case of attack - but he was alive and confessed.

## A Embarrassment for the US government and admittance of espionage

The US government upon ~~seats~~ being informed that Powers had confessed, admitted to these illicit activities and their role in espionage.

## Strain on US-USSR further increased

The US and USSR were ~~at~~ relations further deteriorated ~~upon~~ after the U-2 incident which led to an increase in hostilities during the Cold War.

## Conspiracy theories about the U-2 incident Gray Powers landed the plane voluntarily



Gary Powers could have landed the plane onto the USSR land voluntarily which would explain why he remained unharmed.

## U-2 plane was carrying a bomb

Some claim that the U-2 plane may be carrying a bomb & because it had already studied USSR capabilities and constant surveillance did not make sense given the dangerous situation.

## Series of events

Spying and espionage during cold war



U-2 Fly over USSR to monitor military capabilities



USSR develop means to strike down U-2



U-2 struck down in 1960 and Gary Powers captured



US denial of espionage



US acceptance

↓  
US-USSR relations further deteriorate.





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## Conclusion

In conclusion, the U-2 incident led to an increase in hostility between the US and USSR and the cold war continued and with deeper mistrust. The U-2 incident was due to US aim of espionage and military preparedness.



## Q8(b) Introduction

Eisenhower emerged as President of the US and had specific aims and goals for the administration. He came forth with ideologies that would keep the US influential and ~~bars~~ with his ideology doctrine. The Eisenhower Doctrine emerged as a means to create stability and stem communism and threat in the world, particularly in the Middle East. In that answer, the Eisenhower doctrine will be discussed in detail.

### Reasons for The Eisenhower doctrine Counter influence of the USSR

The Eisenhower Doctrine emerged as a counter to USSR during the cold war. The USSR and US were battling on the world arena for power and influence and the Eisenhower Doctrine made clear that the US intentions were

### Protection of US interests

The Eisenhower doctrine was a means to protect US interests, particularly in the Middle East. The US was dependent on natural resources such as oil in Saudi Arabia and this doctrine highlighted US



interests.

## Protection of states by a global superpower

Eisenhower doctrine was a means to protect nation-states from USSR. Forceful infiltration or general influence would be resisted by the global superpower i.e. US which opposed the USSR.

## What did the Eisenhower doctrine include?

### Military aid and assistance

Any country could request military aid from the US if they felt threatened. This would be provided to counter the threat of the USSR & for that country.

### Economic assistance to counter USSR

Any country could ask for economic aid in case they were economically struggling to keep USSR at bay. They would thus become economically stable enough to resist the influence of the USSR in their country.



## Aggressive stance towards communism

The Eisenhower doctrine ~~did not~~ <sup>clearly</sup> specified communism as a threat. ~~and~~ it was widely-tired that the aim of the US was to ensure that communism did not take root in non-communist countries.

### Non-specification

USSR not named directly for fear of escalation but indirectly: Cold War tactic

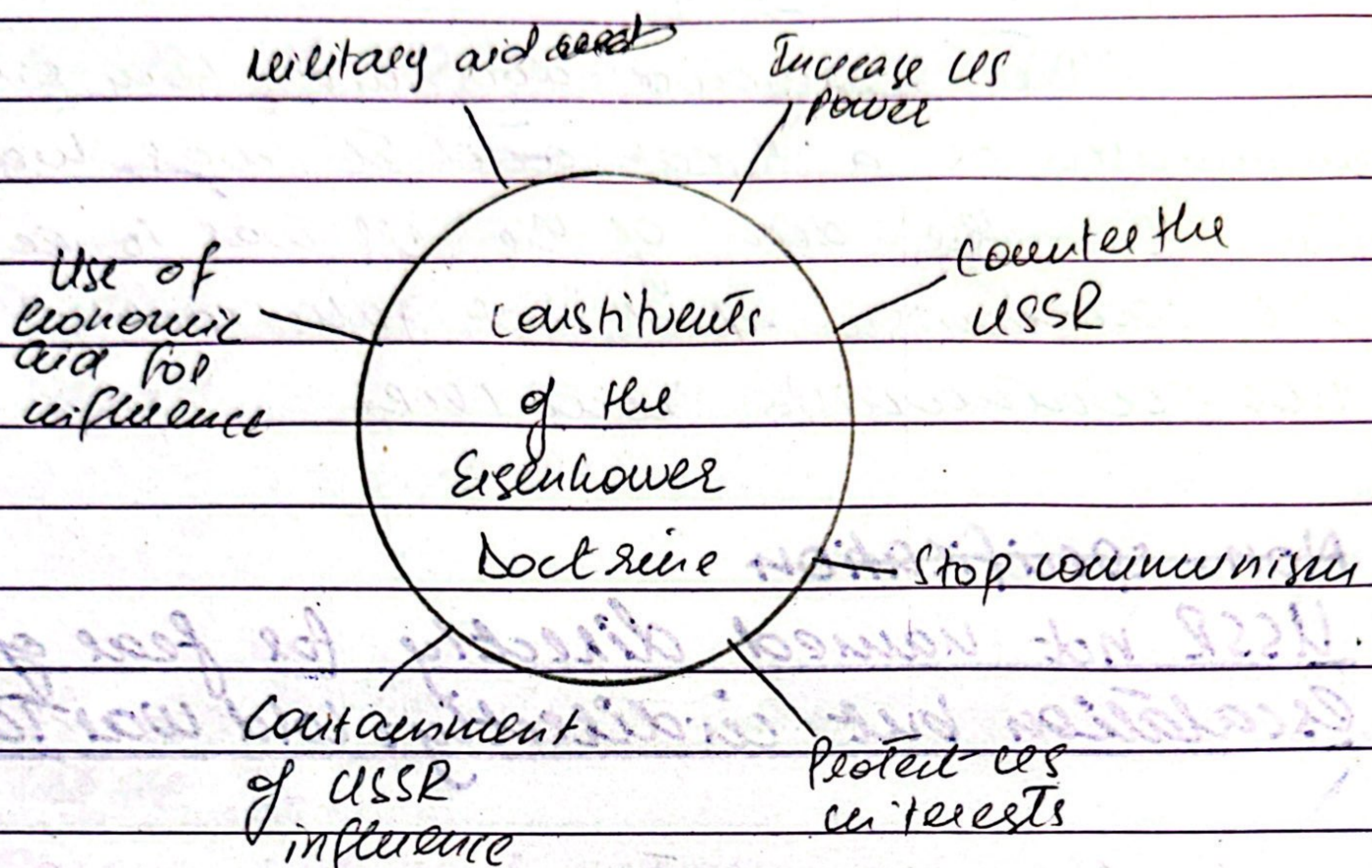
Cold war tactics were indirect & which is embodied in the Eisenhower Doctrine as the USSR ~~was~~ <sup>was</sup> not called out directly. Instead, communism was targeted which indirectly referred to the USSR.

### Containment Policy adhered to

The Policy of containment ~~to~~ was part of the Eisenhower Doctrine indirectly. The scope and influence of communism was curtailed so that it would be contained and not spread to other nations.



# Constituents of Eisenhower Doctrine



## Conclusion

In conclusion, the Eisenhower doctrine was a means to challenge the USSR. The policy of threat and economic assistance was embodied to help struggling nations curb communism. Moreover, the Eisenhower Doctrine (1957) was a way to keep US influence strong worldwide and challenge the USSR.