**Domino Theory** - the theory that a political event in one country will cause similar events in neighboring countries, like a falling domino causing an entire row of upended dominos to fall. If one nation falls to communism then its neighbors will fall.

**Iron Curtain** - the idealized barrier separating the former Soviet bloc and the West prior to the decline of communism that followed the political events in eastern Europe in 1989. The phrase was coined by Winston Churchill in a speech at Princeton University

**Eastern Bloc** - was the name used by NATO-affiliated countries for the former communist states of Central and **Eastern** Europe, generally the Soviet Union and the countries of the Warsaw Pact.

**Warsaw Pact** - military alliance of communist nations in eastern Europe. Organized in 1955 in answer to NATO, the **Warsaw Pact** included Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Romania, and the Soviet Union.

**NATO** - the **North Atlantic Treaty** Organization, is a military alliance of European and North American democracies founded after World War II to strengthen international ties between member states—especially the United States and Europe—and to serve as a counter-balance to the Soviet Union and the Warsaw Pact.

**Marshall Plan** - an American initiative to aid Western Europe, in which the United States gave $13 billion in economic support to help rebuild Western European economies after the end of World War

**Mutually Assured Destruction** - MAD, is a doctrine of military strategy and national security policy in which a full-scale use of nuclear weapons by two or more opposing sides would cause the complete annihilation of both the attacker and the defender

**Western Pact** - The **Western** Bloc or Capitalist Bloc during the Cold War refers to the countries allied with the United States and NATO against the Soviet Union and its allies

**Nuclear Arms Race** - competition for supremacy in **nuclear** warfare between the United States, the Soviet Union, and their respective allies during the Cold War.

**Communism** is an economic and political system in which the state owns the means of production and a single party rules

**Democracy** is a form of government by the people, exercised either directly or through elected representatives and using those people as the primary source of political power.

**Containment** was the Cold War policy of the United States and its allies to prevent the spread of [communism](https://en.wikipedia.org/wiki/Communism).

**Hot War** is a conflict in which actual fighting takes place.

The **Cold War** was a rivalry that occurred after World War II between the Soviet Union and other Communist nations and the democratic countries of the Western world, under the leadership of the United States.

**Proxy War** is a conflict instigated by two opposing powers who do not directly fight against each other but instead use third parties to do the fighting for them.

**Traditional economy** is an original **economic** system in which traditions, customs, and beliefs help shape the goods and the services the **economy** produces, as well as the rules and manner of their distribution. Countries that use this type of **economic** system are often rural and farm-based.

**Command economy** is a system where the government, rather than the free market, determines what goods should be produced, how much should be produced and the price at which the goods are offered for sale. The **command economy** is a key feature of any communist society.

**Market economy** is an **economic** system in which **economic** decisions and the pricing of goods and services are guided solely by the aggregate interactions of a country's individual citizens and businesses. There is little government intervention or central planning.

**Mixed economic** system protects private property and allows a level of **economic** freedom in the use of capital, but also allows for governments to interfere in **economic** activities in order to achieve social aims.