

Book Review

The Marshall Plan: Dawn of the Cold War. By **Benn Steil**. Oxford University Press. 2018. xii + 606pp. £25.00.

Among informed citizens interested in International Relations after the Second World War, questioning the importance of the Marshall Plan is presumed to be about as smart as telling one's friends about the bridge you just bought. Not knowing enough about the Marshall Plan is obviously not an excuse, considering the massive amount of literature on the subject. As demonstrated within the pages of *The Marshall Plan* by Benn Steil, it is challenging to underestimate the importance of this far-reaching event in any analysis of the Cold War. The reasons for this stem from the commonly held view that the Marshall Plan was a paradigmatic shift in world affairs during the twentieth century. In all cases, the Marshall Plan mattered significantly. As such, historians mostly argue about the degree to which it did so and over the consequences of the economic recovery that it created. Clearly, the plan included the development of NATO to protect the economic investment among countries accepting aid. In this regard, the Marshall Plan, and especially NATO, led to ongoing division between east and west, the European Common Market, and later, to the European Union. One could add 'and so on' if such a phrase did not trivialize so many important events that followed.

Indeed, it is difficult to account for the tremendous role of the Marshall Plan after the Second World War. The world would, of course, have been far different without it. What if the Soviet Union had accepted Marshall Plan aid to revive a devastated Russia after the Second World War? What would the plan have looked like had it been accepted by the Soviet Union? What would Great Britain look like had it not as constructively modulated the European Economic Recovery Plan in ways that helped it during such economically perilous times? The Marshall Plan provides numerous counterfactuals, outweighed only by the details of the plan, and the geostrategic matters it spurred. For these reasons, the Marshall Plan deservedly remains a considerable subject for historians to evaluate and re-evaluate. Historians, of course, thrive on demonstrating that there is always something more to say.

Benn Steil's work is a positive recent addition to literature on the Marshall Plan and it somehow seems new in many respects. This may be due to Steil's training and experience as an economist since he tilts towards that field in his writing. He successfully manages to create a highly readable book that balances economic-heavy analysis with rich accounts of personalities involved in Marshall aid planning, and, helpfully, this balance is maintained by an organizational framework that moves at a brisk pace. Steil, with an MPhil and DPhil in economics from Nuffield College, Oxford, along with extensive real-world experience as an economist on the Council of Foreign Relations, is a well-respected authority in his field. The comprehensive approach to his subject

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is also balanced by extensive commentary upon Soviet perspectives through archival work in Russia. Also, Steil's emphases on connections between the Marshall Plan and NATO, required essentially to protect the investment made in Europe, are useful for younger readers to keep in mind. On this point, Steil's analysis of arguments made against NATO, especially those advocated by George Kennan, ties the past to the present. As an example, Steil's comments on Kennan's prescience regarding NATO help contextualize the history of current debates over NATO expansion and its relevance to east–west relations:

In 1997 (Kennan) had written an op-ed in *The New York Times* arguing that 'expanding NATO would be the most fateful error of American policy in the entire post-war era.' Kennan predicted that it would 'inflare nationalistic, anti-Western and militaristic tendencies in Russian opinion,' 'have an adverse effect on the development of Russian democracy,' 'restore the atmosphere of cold war to East–West relations,' and 'impel Russian foreign policy in directions decidedly not to our liking.' (p. 400)

Steil is at his best when tying together the past's relevance to the present and he does the majority of this in the book's final chapters, 'Success?' and 'Echoes'. One of his most astute points regarding Marshall Plan aid hits home hard. In the case of Afghanistan, Steil writes, 'Aid can be designed to bypass governments, and to go directly to the population, but disintermediation does nothing to address the problem that effective government is *necessary* for development – something Marshall's State Department took as a given' (p. 375). In light of present aid distribution, and the ongoing withdrawal from Afghanistan, where its government continues to totter on disintegration in the Taliban's favour, the facts are sobering. The 'combined nominal total of \$171 billion' (to Iraq and Afghanistan) – as a figure that is 'about \$40 billion *more* than the present value of all Marshall aid' – is as outrageous as it is accurate (p. 375). It is common knowledge that so much of this aid was also wasted, at least according to the Special Inspector General for Afghanistan Reconstruction (SIGAR, reporting available at <https://www.sigar.mil/allreports/>). After completing Steil's book, particularly after considering the important points made in the concluding chapters, readers may wish Steil had tied the past and present together at greater length because there is much to learn from the Marshall Plan for contemporary aid efforts. As it is, however, Steil's book is large, yet it is difficult to imagine how it could have been shorter.

It would be an oxymoron to call Steil's big book too narrow, especially considering the magnitude and importance of the Marshall Plan in Europe and as a critical event in world history. It is understandable that Steil chose to keep his eye focused on Europe only, but the financial aid provided to countries shaped their foreign policies in ways that were of great consequence beyond Europe. US aid to France, as one of the most important examples, enabled the Fourth Republic to facilitate its return to its colonies in Indochina after the Second World War and provided the finances to fight its war against the Viet-Minh. France, in fact, almost spent more on its war to retain its colony in South Vietnam, and its protectorates in Tonkin and Annam (north and central Vietnam, respectively), than it received from the United States during the entirety of Marshall Plan aid to France. Aid data demonstrate that France diverted most of the American-supplied economic aid between 1948 and 1954 to support

its operations in Indochina because it knew that American leaders sought to prevent potential communist subversion in France, perhaps more than they were concerned about communist subversion in Indochina. According to Irwin Wall, 'Marshall Plan aid proper to France from 1948 to 1951 was \$2.75 billion, while the Indochina war for that entire period cost only marginally less: an estimated \$2.5 billion or 900 billion francs' (Irwin Wall, 'The Marshall Plan and French politics', in Martin A. Schain (ed.), *The Marshall Plan Fifty Years Later* (2001), pp. 167, 177).

Why were such massive financial outlays still insufficient to overcome, after 1949, the Chinese-supported insurgency in Indochina? Concerning aid for French forces in Indochina between 1946 and 1954, Eisenhower later affirmed that the United States had no choice but to provide such massive financial support. 'The decision to give this aid was almost compulsory. The United States had no real alternative unless we were to abandon Southeast Asia.' Nor would the French have an alternative for supporting self-determination in Southeast Asia due to the 'serious effects in other portions of the French Empire, including Algeria' (Dwight D. Eisenhower, *Mandate for Change* (1963), pp. 373, 336). The financial assistance to France, and its diversion for retaining control of its empire is notable, but the overall point is that Marshall Plan aid had significant consequences because of the options it provided countries such as France in their foreign policy. This is a matter that is not assessed at any length in Steil's work, unfortunately, and Indochina is not even mentioned.

No one could argue with Steil's point that the Marshall Plan was important. Historians, however, contest the degree to which it forced European integration. According to Irwin Wall, 'Historians have seemed to reach a consensus against the idea that the United States was the primary impulse behind the achievement of European Union' (Wall, 'The Marshall Plan and French Politics', in Martin A. Schain (ed.), *The Marshall Plan Fifty Years Later* (2001), p. 172). Steil, however, side-steps historiographical precedents and opts, instead, to offer a chronological history of the plan's development. While Steil writes with authority and clarity, and the book is meticulously supported with rich primary and secondary sources, he makes no clear argument that differentiates his work from that written by Charles L. Mee, Jr., Michael J. Hogan, or from essays edited by Martin Schain (see Charles L. Mee, Jr. *The Marshall Plan* (1984); Michael J. Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Europe, 1947-1952* (1987); Martin Schain (ed.), *The Marshall Plan: Fifty Years After* (2001)). Among informed individuals seeking to learn more about the Marshall Plan, this is not necessarily problematic. For historians, trained and concerned with historiography, however, lack of a clear academic argument should raise concerns. What makes Steil's work on the Marshall Plan different, better or more accurate than previous books on the subject? Did he find some unknown document that potentially changes our understanding of the Marshall Plan? This is not made clear. The absence of an introduction, in which an argument and historiographical notes could fill this void, is a strange omission. As it is, only a foreword and prologue exist, and the prologue serves as the book's first chapter. It is a stretch to consider Steil's work as comprehensive, therefore, despite its capacious spine, without explanation why it should stand out among other histories of the Marshall Plan.

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Steil's approach to the Marshall Plan emphasizes the economic history of the programme. In an important respect, the financial components of the plan and the economic realities facing Europe, of course, were all that ultimately mattered in the first year of the plan – due to food shortages – even though they were inextricably linked to political considerations. Politics and economics, in Steil's work, are correctly presented as two sides of the same coin and he deftly manoeuvres between the two subjects with skill. He addresses, for instance, micro- and macro-economics, and especially the matter of currency in Germany, but does so without losing the bigger picture of how European recovery was the real point. Historians' arguments, in contrast, ultimately seem to centre on whether European integration mattered the most. If this is so, Steil's book is best seen as a history where short-term demands mattered most, not unlike historical accounts of the First New Deal in the United States. The problem with the Marshall Plan, as with the New Deal, is that recovery and integration, or recovery and long-term social security nets in the United States, are difficult to parse. Regarding Steil's economic emphasis, there are certainly soporific passages for individuals not interested in economic details, but his attention to such fine points, validated by his expertise as an economist, strengthens his narrative.

No book can accomplish everything, particularly considering the magnitude of the Marshall Plan. However, the lack of acknowledgement Steil gives to think tanks, specifically the Council on Foreign Relations and the Brookings Institution, is a considerable omission. Both organizations are mentioned once (p. 199) and only in passing. Senator Arthur H. Vandenberg, the chairman of the United State Foreign Relations Committee, requested that Brookings conduct a study on how such a recovery plan could be organized. The result was a twenty-page report, released on 22 January 1948, that provided key recommendations which were put into action when the 80th US Congress enacted the 'Foreign Assistance Act of 1948' on 3 April 1948. (See Ron Nessen and Fred Dews, 'Brookings Roles in the Marshall Plan', 24 August 2016, <<https://www.brookings.edu/blog/brookings-now/2016/08/24/brookings-role-marshall-plan/>>.) Leo Paslovsky, who led the report and was head of the international studies programme at Brookings, is not even mentioned. Surely, Paslovsky contributed to the Marshall Plan's formulation, at least to a degree? Considering Steil's significant contributions to the Council on Foreign Relations, this seems like a missed opportunity. Indeed, demonstrating the utility of think tanks in the past would only strengthen their case for relevance today. As an example, integrating the importance of think tanks in post-war planning of Europe leading to the Marshall Plan, particularly considering the militant democracy advocated by Hans Speier at the RAND Corporation around this period, is a worthy matter that others have taken up (see Daniel Bessner, *Democracy in Exile: Hans Speier and the Rise of the Defense Intellectual* (2018)).

These concerns aside, Steil, with the assistance of numerous research associates, translators and interns credited in the acknowledgements, has produced a valuable book. It may not serve as the definitive account of the Marshall Plan, but it certainly is authoritative and is worth the investment of time readers may decide to allocate to it. Considering current controversies surrounding Brexit, NATO in eastern Europe, aid programming by the EU, the United States' role in the world, and so many other problems, it is refreshing to

read Steil's account of bipartisan effort in the United States and of agreement within Europe and between allies across the Atlantic. It may be pointless to look back as if those were some good old days of political achievement, of course. Yet, the Marshall Plan, for all its deficiencies, did model intelligence, compromise, foresight and cooperation among political leaders in the west. In this, above all, it demonstrates how current readers deserve far more from politicians, particularly in the United States.

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