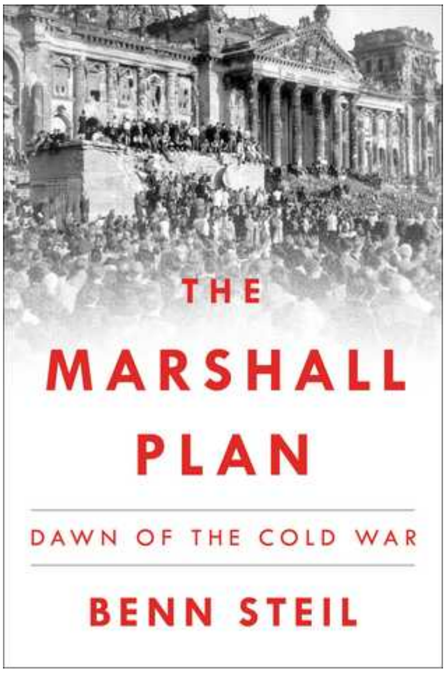

The Marshall Plan: Dawn of the Cold War

Benn Steil

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The Marshall Plan: Dawn of the Cold War Benn Steil
The award-winning author of *Battle of Bretton Woods* reveals the gripping history behind the Marshall Plan—told with verve, insight, and particular resonance for today.

In the wake of World War II, with Britain's empire collapsing and Stalin on the rise, US officials under new secretary of state George C. Marshall set out with a plan to reconstruct Western Europe as a bulwark against communist authoritarianism. Their massive, costly, and ambitious undertaking would confront Europeans and Americans alike with a vision at odds with their history and self-conceptions. In the process, they would drive the creation of NATO, the European Union, and a Western identity that continues to shape world events.

Focusing on the critical years 1947 to 1949, Benn Steil's thrilling account brings to life the seminal episodes marking the collapse of postwar US-Soviet relations—the Prague coup, the Berlin blockade, and the division of Germany. In each case, we see and understand like never before Stalin's determination to crush the Marshall Plan and undermine American power in Europe.

Given the current echoes of the Cold War, as Putin's Russia rattles the world order, the tenuous balance of power and uncertain global order of the late 1940s is as relevant as ever. *The Marshall Plan* provides thorough context into understanding today's international landscape. Bringing to bear fascinating new material from American, Russian, German, and other European archives, Steil's account will forever change how we see the birth of the Cold War and the Marshall Plan. A polished and masterly work of historical narrative, this is an instant classic of Cold War literature.

The Marshall Plan: Dawn of the Cold War Details

Date	:	Published February 13th 2018 by Simon & Schuster
ISBN	:	9781501102370
Author	:	Benn Steil
Format	:	Hardcover 624 pages
Genre	:	History, Nonfiction, Politics, War, World War II, Economics, North American Hi..., American History

From Reader Review The Marshall Plan: Dawn of the Cold War for online ebook

Ron says

The Marshall Plan by Benn Steil

The Marshall Plan is an extremely well documented and extensively researched examination of how the plan changed the world in the late 1940’s, 50’s and even today. After World War II our European allies were on the verge of economic collapse. Those allies were ripe for Russian takeover but with great forethought, the Marshall Plan thwarted Russian dreams by helping Europe rebuild economically, reinforcing the strong bond between our allies and the US.
As stated earlier, the book is extensively researched. If you are looking for an extremely comprehensive account of the Marshall Plan, this will be a fascinating read. It can, however, seem overly documented if you are looking for a lighter read.

Hadrian says

Not just a clear summary of the development and implementation of the Marshall Plan, but also a useful drawing out of the early stages of the Cold War. Steil understands and communicates the details of negotiations and more complex economic arguments to not overwhelm the general reader.

While the term 'Marshall Plan' is blithely thrown about in op-eds and elsewhere, Steil recognizes how complicated a plan this was, and how many planners completed in its implementation, and how desperate Europe was by 1946 and 1947. After meeting with Soviet diplomats in the 1940s, and Stalin himself in 1947, George Marshall had the impression that the Soviets planned takeovers of countries across western Europe as the threat of famine loomed and governments fell. Marshall had announced plans for a grand aid project as anti-Soviet containment in a Harvard commencement speech later that year, but there was little detail about how that would develop.

A linchpin of the new plan was restoring German industrial capacity, but this frightened the neighbors, who feared another aggressive war with the Germans at its head. As a security guarantee, the United States then stepped up its military presence in Europe, which further alarmed the Soviets.

Steil's argument is a point-counterpoint. On the one hand, the Marshall Plan did contribute to economic recovery, not just by American exports and aid, but by promoting inter-European trade and the formation of international institutions like the ECSC. On the other hand, he suggests that the plan contributed to the worsening of tensions between the United States and Soviet Union which led to the start of the Cold War. Steil even goes so far as to say that the Cold War formally began in July 1947, when Stalin forbade those countries under Soviet control from participating in a Paris meeting to discuss relief.

The last chapter includes some scattered thoughts about NATO overextension and Russian fears of encirclement, which really needs more space to flesh out.

After reading this, I have the impression that the Marshall Plan is not just celebrated for its scale -- God only knows how many large-scale plans of nation-building have failed. Instead, I feel that it's remembered because it worked - it staved off mass starvation, contributed to economic recovery, and the restoration of -- some -- democracies. Was all this an exception to the rule?

Aaron Finestone says

As a Cold War junkie, I always wondered how East and West Germany came to be. At the Yalta Conference in February 1945, the Allies agreed to govern Germany as a whole, with the United States, the Soviet Union, the United Kingdom and France, each to temporarily administer a zone.

How did this arrangement break down? How did two rival German republics emerge? What caused the Berlin blockade? Why were the United States and the Soviet Union brought to the edge of war?

Benn Steil, senior fellow and director of international economics at the Council on Foreign Relations, offers answers lot these questions in his book The Marshall Plan: Dawn of the Cold War (Simon & Schuster).

The breaking point between East and West was economics. In the months after the surrender, Germany and much of Western Europe were destitute. Britain was broke. France wanted to dominate the Rhineland. The Soviets wanted as much reparations---removal of industrial assets and exports of manufactured goods---as Germany could yield.

The United States was left with the responsibility of feeding Germany and getting the Western European economies on the road to recovery.

The immediate split between East and West was over monetary policy. The United States and the Soviet Union each proposed plans for currency reform. These two great powers could never reach a compromise. Eventually each side implemented their own versions of currency reform in their zones of Germany.

To get the Western economies on the road to recovery, the United States proposed the Marshall plan, which drew the three western zones of Germany and most of Western Europe into America's orbit. The ever suspicious Soviet Union, saw the Marshall Plan as an instrument of imperialism. The Soviet Union forbade the Eastern European states from participating in the Marshall Plan.

The final rupture happened when the Soviet Union blockaded the Western sectors of Berlin, from June 1948 to May 1949. The final division of Europe was solidified when the United States and Britain oversaw the founding of the Federal Republic of Germany in May 1949. The Soviet Union responded by organizing the rival German Democratic Republic in October 1949.

Benn Steil has written a scholarly and comprehensive history. Whatever your interest in the Cold War--be it ideology, economics, strategy, diplomacy, American politics, or just a good story--Steil has a chapter for you.

John Plowright says

“The most unsordid act in history” is how Churchill famously described the Marshall Plan (recycling a phrase he’d originally applied to the Lend-Lease Bill) and there’s no denying that in offering financial assistance to war-ravaged Europe, the United States was moved in part by compassion. This was, however, far from the full story and at least as important was the economic desire to regenerate Europe as a market for American exports and the political and ideological desire to use this largesse to help contain communism.

Benn Steil's 'The Marshall Plan' is focused firmly on the last of these three motivations, as is evident from his book's subtitle: 'Dawn of the Cold War'. In time the US administration came to the realization that man cannot live by bread alone and that if its investment in western Europe was to be protected it was necessary to remove the sickle from its throat, deterring Soviet aggression by abandoning isolationism for good and entering into a peacetime military alliance.

Although Truman later described the Marshall Plan and NATO as "two halves of the same walnut" it is clear from Steil's admirable account that this is not how Marshall had originally conceived the plan but that Soviet reactions to it, including the takeover of Czechoslovakia and the Berlin Blockade, persuaded key figures such as Arthur Vandenberg, that Marshall Aid needed to be buttressed by some security arrangement.

Steil is well placed to write this history, not only as the author of the acclaimed 'Battle of Bretton Woods' but as someone who has immersed himself in the literature, including new material from American, Russian, German and Czech sources. His book is not as radical a departure in interpretation as he might like to claim but it should nevertheless become the standard text on the subject given the clarity and comprehensiveness of his exposition.

Adam says

A 600 page exhaustive history of the Marshall plan and the beginning of the cold war. This was a period when the history of Europe was set for a generation: the establishment of NATO, a European common market, the division and re-industrialization of Germany, the descent of the iron curtain, the definitive end of the British Empire, the establishment of the United Nations, the rise of the U.S. as a global military and economic super-power.

Steil, an economist, gives a clear view of domestic and international politics. He argues that the Soviet Union's domination of Eastern and most of Central Europe was not simply a function of the evils of a Marxist-Lenninist system, but a continuation of Russian tendencies going back centuries--a need to protect their long vulnerable western border by building up a buffer of allied (or at least submissive) states. From that perspective, he writes an interesting final chapter about the collapse of the iron curtain and Soviet Union at the end of the 20th Century. He argues that by encouraging states on Russia's border to join NATO even before they joined the EU, the U.S. (ie, Clinton), was ignorantly and unnecessarily provoking the Russian bear, which led to the rise of a dictator like Putin.

Also interesting to me was the primacy of Germany in the history of post-war Europe. Russia (and France) were still afraid of Germany, wanted to turn it into a "pastoral" state, and extract maximum reparations. Russia, especially, believed that after having endured unprecedented death and destruction at German hands, they were entitled to virtually all of Germany's wealth, and nationalize or dismantled factories in the eastern part of Germany. The U.S., ironically, seemed to be the country that had actually learned the lessons of World War I and the Treaty of Versailles, insisted that Germany could not pay reparations until it could at least feed its own people, and took the bold step of substituting payments made by American taxpayers in place of German reparations. They then realized that the best way to create a prosperous Europe and avoid long-term economic dependency was to allow West Germany to build up its industrial capacity (surprisingly intact after the war), and become the economic engine of Europe and the center of a free-trade zone, which it has remained until today.

Also interesting to learn that Spain almost received payments under the Marshall plan, and it wasn't until the very last minute, under objections from European leaders, and attempts by U.S. politicians to control the costs, that Spain was removed from the program. One wonders how that country would have changed if a different decision had been made.

This book was very well and extensively researched, and for me, who avoided history as a student, it is great background about how 20th Century Europe came to take it's current shape, not to mention a look back to a time when we could expect a lot more from our politicians than we are getting today.

Terri Wangard says

President George Washington bid his countrymen to steer clear of foreign entanglements, especially with Europe, whose interests were remote from the United States. After World War II, President Harry Truman took seriously Washington’s warning against foreign alliances, but he was convinced the realities of the late 1940s dictated the necessity of involvement.

The Marshall Plan: Dawn of the Cold War is over 600 pages, packed with the heroes and villains of the late 1940s. The diplomacy and strategy involved is incredible.

Mistakes were made during the war and immediately after in how to deal with Stalin, but in the end, the Soviets were stopped in their tracks.

The Marshall Plan: Dawn of the Cold War is so full of information, I found it to be slow reading, but it is a fascinating story well-worth your time. I received a free copy in exchange for my honest opinion.

Margaret Sankey says

Steil uses his skills explaining economic policy (the Bretton Woods book was excellent) and a wave of newly available documents from eastern Europe to position the Marshall plan as early Cold War policy. At 400 pages, the details are rich and illustrative, and allow for full discussion of things like the initial wording of the proposal (casting the plan as being against poverty, chaos and despair rather than anti-communism, allowing the US to wag a finger at anyone who was FOR poverty, chaos and despair). It is also useful to be reminded of Masaryk's American connections at the heart of power and Kennan's role at NDU in drafting the initial idea.

Emily Ross says

Thank you to the publishers for providing an ARC of this book through NetGalley.

Really dry, really detailed and seriously in need of a timeline. This felt less about the Marshall Plan, which did have major importance for Europe in the aftermath of the world war, and more about the personalities of the leader and foreign secretary type person in the USSR, America and to some extent, Britain.

Charles says

Revitalizing Postwar Europe in 3 1/2 years at half the cost of aid to Iraq and Afghanistan

Given the economic prosperity of Europe in the post World War II decades, it is easy to lose sight of the profound dissension and vigorous debate that arose in the immediate aftermath of the defeat of the Nazis in 1945 — when much of Europe was in ruins. Author Benn Steil does an impressive job of recreating the challenges facing the United States and its allies, many of whom had suffered from German resurgent military might after the First World War and who were determined that history would not repeat itself.

Remarkably, in 3 1/2 years the Marshall Plan put Europe back on the path of economic growth and stability at a cost of half, in constant dollars, that the US has poured into Iraq and Afghanistan.

US Treasury Henry Morgenthau proposed dismantling Germany’s industrial capability and turning the nation into a pastoral, pre-industrial society. Stalin was particularly fearful of Germany and planned to dismantle and move Germany’s entire manufacturing capacity to the Soviet Union. German coal and food would be confiscated as war reparations. Because most of German industrial capacity was in the British sector (the Ruhr), the Soviets wanted a unified Germany, one in which they controlled all industrial and raw materials resources in the same way that they came to control Poland.

Indeed, much of Europe was on its knees and on the cusp of a humanitarian crisis. Its people were starving. Immediately after the war, one in three German babies died within the year. Italy’s and France’s inflation rates were 62% and 49% respectively. Britain and France were broke. The winter of 1947 was the hardest to hit Europe in a generation.

At the policy level there was an active debate, led by George Keenan (who favored partition because he believed a Germany ruled jointly with Moscow was a chimera) and Lucius Clay (who believed that the only neutral Germany would be one without an East-West border). By 1949 they had switched positions but the issue of Communist influence of a united Germany vs. a war arising from an East-West divide was still being argued. After observing that the Soviet zone was in a state of economic collapse, Dean Acheson rejected the idea of a united Germany, observing that shackling West Germany to the tottering East was like “asking a paralyzed person who was three-quarters recovered to go back to complete paralysis.”

The popular priorities in the US were, “Bring the boys home,” and “Don’t be a Santa Claus.” George Marshall realized that enlightened self-interest in foreign affairs would be a tough sell to the American people. As Timothy Naftali, the New York Times reviewer of this book, put it, Marshall understood that his fellow citizens were especially vulnerable to demagogues who appealed to narrow, selfish nationalism.

To win over public opinion Secretary of War Henry Stimson argued that, having won the war at enormous cost, the US could not afford to lose the peace. “Victory and peace are not synonymous.” By 1947, the Secretary of the Army said he would need 100,000 more troops and a 20% increase in the military budget if there was no European aid plan.

Politically, many were persuaded by fear of Soviet takeover of Western Europe. Republican Senator Arthur Vandenberg became a powerful backer of the Marshall Plan. As the measure came to a vote in Congress, 80% of Americans had heard of the Marshall Plan and three-quarters of those approved of it. Rather than take a protectionist view, the US Chamber of Commerce said that increased European competition would boost US productivity.

Instead of multilateral organizations such as the UN, the IMF, and the World Bank to keep the peace and ensure international stability, as FDR envisioned, the Marshall Plan was unilateral US economic intervention to achieve the same goals and it succeeded impressively in jump starting European recovery.

What didn't the Marshall Plan accomplish? It didn't turn out to be an alternative to US military spending and troop commitment to Europe. In the wake of the Berlin blockade, the US and its Western European allies formed NATO. European governments sought to keep the Russians out, the Americans in, and the Germans down.

Finally, author Steil is critical of the expansion of NATO following the collapse of the Soviet Union. Instead of a Marshall Plan to aid the transition of Russia to political pluralism and economic growth, he argues that the extension of a military alliance to the borders of Russia allowed Vladimir Putin to appeal to historic paranoia of a Russia diminished and surrounded.

This book provides valuable historic perspective as we debate America's role in world peace and stability and are tempted to withdraw into an America First mentality.

Other points:

Truman abandoned FDR's vision of a new world order. FDR had promised to bring three million troops home within two years. The idea of a Marshall Plan came from the military, not economists. The public would not accept a long military occupation of Europe. The US produced 50% of the world's economic output.

George Washington had warned against entangling alliances. But Truman and other leaders including Vandenberg realized that the world had changed and that they had to revisit this "lodestar". They had to convert public opinion. Truman realized the plan would never achieve Congressional approval if it was called the "Truman Plan".

Steil says we have spent $200 billion in reconstruction aid in Iraq and Afghanistan, which in constant dollar terms is 50 more than the cost of the Marshall Plan. It shows that security is necessary for economic reconstruction — achieved in Europe and never achieved in Iraq and Afghanistan.

Europe had no dollars.Therefore couldn't pay for the imports it needed to restart their economy. Brilliant solution of the Marshall Plan was "counterparty funds". For every Marshall Plan dollar, the European government had to put in the equivalent of $1 in local currency. But when the French farmer bought a tractor made in the US, the Marshall Plan on an accounting basis gave credit for $2 not $1 in US currency to pay for the tractor.

The plan was grants not loans, a lesson of the 1920s. Don' just keep piling debt on countries that are struggling economically.

Marshall Plan lasted only 3 1/2 years.

We were Europe's primary capital goods supplier, but recognized that there needed to be balance in the world economy. Therefore we wanted Germany to serve that role in Europe.

In defending the plan, Marshall noted to Congress that the initial distribution of funds from the Marshall Plan was less than the cost of a single month of the war so recently concluded.

Steven Z. says

At a time when the President of the United States disparages the European Union and NATO, it is important to remember the role the Atlantic Alliance has played since the end of World War II. President Trump can tweet and criticize these institutions all he wants, but you skirt their importance particularly in light of the policies pursued by Vladimir Putin and his nationalistic “Russia first” policies. Perhaps the most important policy of the United States in the post-war world, which formed the bedrock of its foreign policy toward Europe, was the Marshall Plan. The plan was conceived by the State Department under then Secretary of State, George C. Marshall as a vehicle to promote European recovery from World War II and foster unity against the Soviet Union, as by 1946 the wartime alliance was severed. To understand how the Marshall Plan came about and its impact, an important lesson for all to learn, one should consult Benn Steil’s new book, THE MARSHALL PLAN: DAWN OF THE COLD WAR.

The book itself does more than present the ideological give and take within the American foreign policy establishment faced with the destruction in Europe after the war as it details negotiations with European counterparts, and presents Soviet opposition to the Marshall Plan in general, especially for Eastern European countries like Poland and Czechoslovakia. Steil’s account is the most detailed and lengthy to date as it dives deep into the postwar “German problem,” Soviet actions in Eastern Europe, and finally the Berlin Blockade, culminating with the creation of NATO. Steil presents the benefits of “soft power” as a foreign policy tool, something the current occupant of the White House should consider.

As Harry S. Truman assumed the presidency a new dynamic was at work in American foreign policy. Franklin Roosevelt mostly acted as his own Secretary of State, but Truman’s approach would be different as the State Department regained influence with the presence of George C. Marshall, George F. Kennan, Dean Acheson, William Clayton, and others. As the war came to a close Stalin had tremendous expectations for the Soviet Union. He witnessed a United Kingdom in decline as it would stop providing aid to Greece and Turkey by 1947. It would also see its position erode within the Commonwealth especially in India and Palestine. As the US quickly demobilized and Germany defeated, Stalin felt there would be little opposition in spreading the “Soviet blanket” over Eastern Europe and create the “buffer zone” he had spoken about so often during the war.

By 1946 it became clear that the wartime alliance was over with disagreements at the Council of Foreign Ministers meetings in dealing with Germany, reparations and other issues. This produced George Kennan’s famous “Long Telegram,” which stressed Russia’s expansionist nature, and within a few weeks Winston Churchill made his famous “Iron Curtain speech in Fulton, Missouri. Steil stresses that Stalin was bent on pushing the United States to see how much he could get away with. The Soviets would push and prod over issues and territories whereby US policymakers came to see western unity and recovery as the only viable alternative to a major military commitment in Europe.

Steil offers a dramatic description of Europe’s plight in the winter of 1947. The destruction of homes and infrastructure, compounded by freezing temperatures led to starvation, frostbite, and death. This situation provided the major impetus for American aid to Europe as communist parties in Italy and France seemed to be a threat, in addition to the civil war in Greece and troubles in Turkey. Exacerbating the situation was the massive movement of ethnic minorities across borders, particularly as it related to Germany and Poland. What became clear by 1947 that some sort of economic stabilization of Europe was the key to peace.

Steil correctly points to the evolution of Dean Acheson’s thinking toward Russia as a key to developing the Marshall Plan as his wartime sympathy toward Moscow changed when confronted by Soviet demands in the Mediterranean. Acheson would become Marshall’s Chief of Staff and an Undersecretary of State, and along with George Kennan would outline his “containment” policy in his famous “X Article” in Foreign Affairs, and the announcement of the Truman Doctrine and aid to Greece and Turkey - the American approach to

Soviet machinations had changed.

The key for European recovery was that the German economy had to be strong. The old concept of "Mitteleuropa" remained a reality and US policymakers did their best to keep reparations manageable and allow German industry to rebuild, much to Stalin's chagrin. Steil zeroes in on the Moscow Conference of 1946 as the beginning of the Cold War as Marshall left the meetings believing that Stalin's goal was to leave Europe in shambles, allowing him to pick up the pieces. Marshall would later say that the impetus for the European Recovery Program, a.k.a. Marshall Plan was a direct result of Stalin's attitude.

Steil's analysis mirrors some of the arguments put forth by Michael Hogan in his book, THE MARSHALL PLAN in that the recovery program was not totally one of American largess and altruism, with no agenda of its own. If Europe did not recover, then it could not buy American products leading to a downturn in the US economy. Further, the resulting political, social, and economic dislocation would foster a piecemeal US aid approach which would drain US resources. Hogan, more so than Steil concluded the US would allow France to recover some of its empire i.e., Southeast Asia as a means of gaining support for the Marshall Plan as well the integration of all three German zones. European colonies were important to their recovery so the US receded from its anti-imperialist tone fostered by Roosevelt during the war.

Steil explores two other key figures in depth without which the Marshall Plan may not have been developed and passed by Congress. First, the work of Will Clayton who had run the Reconstruction Finance Corporation under the New Deal, and Michigan Senator Arthur Vandenberg. Clayton was responsible for conveying the sense of urgency that the American public needed to hear and worked to foster a US plan to restore an equilibrium to the continent. His greatest contribution was convincing people that the problems that existed in European countries were interrelated, and could only be solved through cooperation and a certain amount of integration. Clayton was able to work through European and British opposition to American plans and in the end, along with his colleagues was successful. Vandenberg stands out as the Republican Chairman of the Senate Foreign Relations Committee who evolved from an isolationist to a grudging internationalist as he was greatly affected by wartime events and the condition of Europe after 1945. He was able to gain passage of the European Recovery Act in his committee, bringing along fellow Republicans and gaining overall Senate approval.

Perhaps one of Steil's best chapters analyzes the Soviet approach to Marshall's Harvard Speech where he announced the recovery plan and their strategy to confront American aid. Steil presents Stalin's and Molotov's thinking regarding whether to oppose Marshall's offer, particularly as it related to Eastern European "satellites." Soviet ideology is at the forefront of the author's approach and he provides a bird's eye view into Kremlin thought processes. In the end by refusing American aid, Stalin did the United States a favor because there was no way Congress would approve aid to the Soviet Union, and Communist demands would have been such that the US could not have afforded it.

Some have argued that when Molotov rejected American aid and cabled Eastern European allies not to discuss aid with the west on July 7, 1947 it marked the onset of the Cold War. Further, by December, 1947 Soviet disinformation over Berlin and the collapse of the London Council of Foreign Ministers meeting, the CIA warned of the possibility that the Soviet Union might try to forcibly remove American troops from Berlin. With the Russian clamp down on Czechoslovakia in early February, 1948 and the questionable death of its Foreign Minister Thomas Masaryk, Stalin had now seized a country that was not agreed to by the "Big Three" during the war. Lastly, on March 5, 1948 England, France and the United States merged the three allied zones to create West Germany - the Cold War was on, making the success of the Marshall Plan an urgent necessity.

The major strength of Steil's monograph is his ability to explain the bureaucracy that the Marshall Plan produced as it dispersed more than $13 billion in aid from 1948 to 1952. He writes in an easily understandable style that allows the economics "layperson" the ability to understand complex mechanisms that were used to fuel the recovery of Western Europe. Steil provides an in depth analysis as to whether the Marshall Plan actually was successful or not, and integrates the role the creation NATO had on this argument. Though a military component was not in early American planning, the NATO alliance was finally seen as a security imperative and went hand in glove with the economic recovery of Europe.

Steil goes on to discuss the role of NATO today in light of its expansion eastward after 1991. The Russians were under the assumption that the alliance would not encroach on its western borders. As the alliance accepted former Soviet satellites into membership Russian leadership grew increasingly agitated exemplified by Vladimir Putin’s actions in Georgia, Crimea, and the Ukraine. Many like to compare the current situation to the post World War II world, but there is a major difference; during the Truman administration there seemed to be a coherent strategy based on realism, accepting the Soviet sphere of influence. Today, it appears there is no coherent strategy and a total lack of statesmanship – perhaps we need to relearn the lessons of the early Cold War period.

In summary, Steil has done a remarkable service for historians and those who want to understand Europe’s recovery following World War II. Though at times, the author can become bogged down in statistics, his overall command of history, primary and secondary sources, and his ability to synthesize the ideas of the main individuals and economic theory lend itself to an important contribution to Cold War literature.

Marks54 says

I just noticed this new history of the Marshall Plan and jumped in to read it. Books on the Marshall Plan are not normally page turners - I am still stuck in working through Michael Hogan’s history of the plan. Perhaps the allure is the chance to read about a capably crafted and somewhat successful instance of US foreign policy that involved Russia. Perhaps it is even simpler than that - foreign policy in the modern age is so difficult to craft and has such difficulty enduring that an instance that turned out well is worth remembering. This story would probably make for a good musical in the right hands.

Benn Steil has written an engaging account of the Marshall Plan. The story starts with the end of World War 2 and the disappointments of Yalta and Potsdam and moves through the articulation of the Truman Doctrine, the development of the Marshall Plan to implement the Truman Doctrine, and the rise of the NATO alliance after the Berlin blockade as a means for securing the rebuilding of Europe against potential military threats from the Soviet Union. This is a complex story that starts with a recognition of how interwar mistakes after World War 1 helped bring on World War 2. This recognition, along with immediate traumas in Greece and Turkey, spurred a recognition of the need for economic development to permit reconstruction and remove the temptations for political subversion. This intuition led to the idea of a broad continent wide program to promote European self-sufficiency. This was played out in the midst of the Soviet Union’s assumption of control over Eastern Europe and the internal politics of multiple states and the two emergent superpowers. Add to all this the amazing personalities that drove these processes and you have an epic story.

This is a complex book with lots of themes developed. There are a few striking takeaways.

1) Doing foreign policy for high stakes requires a plan - some sort of idea or story that ties lots of actrivities together and justifies on solid and persuasive terms. Ideas matter - well thought out ideas really matter.
2) Effective implementation also matters. It is often hard to see how anything of consequence ever happens according to plan (at least somewhat). Skill at following through is critical but receives too little attention in the media or in historical accounts more generally.
3) Foreign policy and national security strategy is a team sport. Without a skillful team, it is hard to see how

a President or Secretary of State can succeed. Indeed, having a skilled and disciplined team is to guarantee of persistent success. Look at what happened with Korea in Truman’s second term.
4) Whatever happened to bipartisan US foreign policy? The support provided by Congress was critical to the key decisions in this book - and they have helped shape US foreign policy ever since. I am at a loss to see anything resembling this bipartisanship in recent decades - whatever one’s party affiliation may be. Toxic domestic politics harms our foreign policy and national security.
5) History has a long reach - the final chapters of the book reflect on how the early Cold War decisions such as those associated with the Marshall Plan, continued to be influential decades later with the breakup of the Soviet Union and the recent rise of Putin’s Russia.
6) It is hard to wrap one’s head around the complexities of situations like those facing the US in Europe between 1947 and 1949. Fallible decision makers trained largely in domestic politics have to decide on matters that affect millions and that bring together military, political, economic, social, and cultural issues in situations where some choices are much better than others and were do-overs are not granted. What could happen? ...and the Marshall Plan was a set of situations in which things generally worked out. With all of the anniversaries going around, however, there are plenty of examples of where it did not work out so well.

Benn Steil’s book is well worth reading.

Doug says

This is a well written and researched work on the post World War II era. What did the US do and why did they do it. The author not only covers the Marshall Plan but the birth of NATO and the European Union. These developments have led to the containment of Russia as a US foreign policy objective. By the author talking about the current state of affairs in Russia and its bordering countries the reader comes away with a better appreciation of what is going on in this part of the world today which makes this much more than just a historical treatise. It is helpful to understand how what we did as a country after WWII still resonates in today’s foreign affairs. The economic discussions and monetary parts of the book and trade details are a little dry, but worth wading through. A provocative part of the book was the bipartisanship required to make the Marshall Plan law, something rarely seen today.

Ruth says

I have a professor said a good book is not determined by how much you enjoyed the book but what you learned from the book. He does not read fun books or guilty pleasures, or even just well written entertaining books but the books he recommends are usually well written and entertaining but also will expand your knowledge, and or provide a different perspective. He did not recommend this book but it was well written, some sections were more entertaining than others and I learned a great deal from this book.

I had, of course, heard of the Marshall Plan as it has taken on all the aspects of legend but I knew very little about the Marshall Plan or its consequences on the world stage and how it shaped Europe and the relationship between the United States, Western Europe, and the Soviet Union. Well worth the read and lays out the history and consequences as well as introducing the characters involved in the early years of the Cold War.

Nestor Rychtyckyj says

This 600-page book covers one of the most important eras in history: from the end of World War II in Europe to our present conflicts with Russia. As we all learned in high school – the Marshall Plan helped rebuild Europe and the creation of NATO eventually led to the collapse of the Soviet Union. But history didn’t stop there and the ramifications of those days are still very evident today.

Benn Steil takes us back into Europe in 1946 and shows how the inevitable conflict between the US and the USSR started with the fate of a postwar Germany. A United States that had historically avoided all overseas political entanglements quickly changed its mind and built the foundation of what we still have 7o years later: a strong and democratic Germany that is the economic center of Europe. This was certainly no pre-ordained result in 1946, but it showed how a divided government with a Democrat in the White House and a Republican congress worked together to pass the Marshall Plan. Communism was pushed d back and Europe waited for 40 years for the Iron Curtain to come down.

The author has a knack for taking a lot of rather mundane information and turning it into a fascinating history. Truman, Marshall, Clay, Acheson and others outmaneuver Stalin and Molotov and even convince the French and British (with some financial blackmail) that a strong Germany is needed. He covers economics, politics and mind-numbing financial details that allow Western Europe to recover and shows only a military commitment by the USA in the form of NATO makes it possible for the Marshall Plan to succeed.

The book continues through the collapse of the USSR and the expansion of NATO to countries in Eastern Europe and ends with the current “new cold war” that exists with a new authoritarian Russia under Putin. Here Steil finally loses me – throughout the book he mentions that certain sacrifices were made to preserve western Europe – the people in Poland, Czechoslovakia, Hungary and other countries were given up to Stalin. After the fall of the USSR these people naturally wanted to have nothing to do with Russia and eagerly sought membership in NATO and the European Union. This seems to be unacceptable to Russia, which requires that its neighboring countries be subservient. Steil recommends that the USA acknowledge the “reality of a Russian sphere of influence” and that the people in Eastern Europe should continue to suffer in perpetuity
because Russia cannot co-exist with any independent country near its borders.

It’s a fascinating book, but I would think that by now we should know that appeasing dictators never turns out well in the end.

Frank Stein says

It's a shame that this book doesn't really know what it is. Although nominally about the Marshall Plan, it only spends 35 pages detailing how it was implemented. Most of the book is about the wider struggle over post-World War II Europe, involving everything from the division of Germany to the fight over communism in Greece. The last chapter of the book is an extended argument about how encircling Russia since 1997 with NATO expansion has exacerbated some of Russia's most paranoid fears. Convincing, but hardly relevant to the Marshall Plan.

Benn Steil does make some convincing arguments about the Marshall Plan itself that warrant wider circulation. Most importantly, he shows that almost since its inception, people have in turn proposed "Marshall Plans" for everything from American inner cities to Third World hunger. Almost none of these other proposals take stock of the real purpose and context of the original. In the winter of 1946-47, currency controls and continued punishment of the German economy (under the Joint Chiefs of Staff 1067 circular, from September 1944, which mandated deindustrialization) had made trade between European countries all but grind to a halt. The intricate division of labor that had supported the continent for over a century, and that had been reoriented towards Germany in the war, broke down. In desperation to horde valued American currency, countries threw up further barriers to trade. Farmers and factories shut down for lack of either inputs, funds, or customers.

The Marshall Plan's real purpose was not so much to jump start the European economy with investment, as to provide enough food and fuel to get Europe over its temporary hump, and to use it as political leverage to convince Europeans to re-establish intra-European trade. Dangling $14 billion dollars in aid (today about $140 billion, or $800 billion as a percent of American GDP, or 1.1% over the years from 1947 to 1952, when aid ended), Secretaries of State George Marshall and then Dean Acheson convinced these countries to lower tariffs between them by almost 90%. They also convinced them to establish a European payments Union in 1950 that allowed clearing of intra-national debts. The real roots of the European Union go back to these reforms. The U.S. also convinced Europe, most especially France, to give Germany back its Ruhr and Saarlands, and to agree to revitalize the German economy and military as part of a united Western front against Communism.

Steil emphasizes that the threat of Soviet communism hung over every aspect of the plan. The Marshall Plan was proposed just months after President Harry Truman announced his "Truman doctrine" providing $400 million in support of Greece and Turkey against what he euphemistically called "outside aggression." The US used Marshall Plan funds to convince both the Italians and French to kick Communist parties out of their governing coalitions, where they shockingly had almost 30% of the vote. The architects of the Marshall Plan, especially George Kennan and Dean Acheson, knew that the Soviet Union would refuse to participate, and thus discredit their imperialistic program in the eyes of the world. In fact, the Western Communist Parties ham-handed attempted to sabotage the plan on the orders of Moscow did much to demean them permanently.

So the Marshall Plan was appropriate for one time and place, but mainly as political leverage, short-term relief, and public relations coups. It has much to teach us about diplomacy, but little about economic development. If only Steil focused his book on these topics and provided a little wider lens about the whole program, I think this book could have provided a truly fresh lens on the period.