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At five minutes past midnight on the 14th of March, 1948, the United States Senate voted, sixty-nine to seventeen, in favor of the US Economic Co-Operation Act. Soon thereafter the House of Representatives passed legislation similar to that approved in the Senate; the smattering of differences between the two bills were worked out in conference. On the 3rd of April, president Harry S. Truman signed the final version of the legislation that has become known popularly as the Marshall Plan. A dramatic moment in the effort to create sufficient support for the bill occurred at the beginning of March when Senator Arthur Vandenburg spoke before a Senate packed by its own members and by many colleagues from the House of Representatives. Expounding the purpose of the economic assistance act, Vandenburg explained:

It aims to preserve the victory against aggression and dictatorship which we thought we won in World War II. It strives to help stop World War III before it starts. It fights economic chaos which would precipitate far-flung disintegration. It sustains Western civilization. It means to take Western Europe completely off the American dole at the end of the adventure.

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It recognizes the grim truth—whether we like it or not—that American self-interest, national economy, and national security are inseparably linked with these objectives.¹

Earlier in his speech, the Senator had summed up in one sentence why the bill should be approved: "In the name of intelligent American self-interest it envisions a mighty undertaking worthy of our faith."²

The Marshall Plan has been cited since its passage by Congress as perhaps the preeminent example of American munificence towards other societies struggling to acquire political liberties and economic prosperity. Today one reads about Israel requesting a "Marshall Plan" to help the country out of its economic straits; similar recommendations have been put forth concerning eastern and central Europe. A proposal has even been made for a "global Marshall Plan" under which developed countries would promote economic growth in the developing world with programs that would not cause widespread environmental damage.³ The Marshall Plan has become myth. This process began when those who played a role in assembling the program that was to bear General George C. Marshall's name left memoirs and wrote histories about the massive aid program. The resulting record depicts this bold policy stroke as a response to immediate and ominous dangers that threatened Europe's economic and political recovery during the early postwar years. These historical accounts assert that the Marshall Plan was successful in neutralizing threats to western Europe's security.

This summation has not gone unchallenged. Revisionist historians have portrayed United States postwar foreign policy, the Marshall Plan included, in a distinctly different manner compared to the picture provided by the orthodox historians. Under the revisionists' glare, Truman's European recovery program no longer represented a noble and necessary cause but a tool and a reflection of the United States' push for global hegemony. This interpretation has not gone unchallenged, either. Recent histories of the Marshall Plan, reflecting greater access to archives only now available to historians, have sought to reestablish the importance of the myriad of problems facing American leaders during the immediate postwar years in government decision-making. Neither a plot nor a righteous cause, the Marshall Plan has become in the minds of the postrevisionists a tale of conflicting interests and partially reached objectives. Marshall
Plan historiography reflects the three schools of cold war thinking that have emerged: orthodox, revisionist, and postrevisionist.

An examination of the memoirs of the principal participants in the formation of the Marshall Plan and of some of the key documents pertaining to the purposes of the program demonstrates that the postrevisionists are correct in reaffirming the diverse themes of early postwar American diplomatic history. This is not to argue that the assertions of the orthodox and revisionist schools are to be dismissed: they make points and provide details that must be included in any history of the Marshall Plan. While the three schools of Marshall Plan historiography have provided a rich tradition of research and writing, all three also reveal shortcomings at various junctions in their approach to the subject. They do not adequately assess and infuse their histories with what are often the key elements that influence most types of government decision-making. These elements include the preponderant importance of personal observations made by those with the power to change policy, the near panic-causing pressures of time constraints, the haphazard means by which information is gathered to construct national policies, and the kneading and molding of the basics of a policy that takes place among the various bureaucratic agencies. Excellent histories of the Marshall Plan have been written. Yet the many layers and density of the story have yet to be presented in a fashion that includes the pace, the scope, the uncertainties, the successes, and the clear failures of this unprecedented American diplomatic undertaking.

The Telling of the Tale

The justification for the proposal of the Marshall Plan has been described clearly and vividly in the memoirs of president Harry Truman, undersecretary of state Dean Acheson (to become secretary of state in 1949), State Department officials George Kennan and Charles Bohlen, senator Arthur Vandenburg, and in the biography by Forrest Pogue of George Marshall, Truman's secretary of state from January 1947 to January 1949.4 The two semi-official histories of the policy undertaking have been written by Joseph Jones and Harry Price, both State Department officials who worked on the contents of the Marshall Plan in its incipient stage.5 In his book, Jones titles a chapter, "Western Europe on the Brink."6 Europe on the brink of economic chaos and political anarchy,
the orthodox school of Marshall Plan historiography argues, required a rapid American response in the form of a massive program of economic aid. Otherwise, if Europe were allowed to teeter off the edge of societal stability, then the communists, led by Stalin, would move quickly to promote their tyrannical interests at the cost of western Europe. Whether World War III would have started as a result, as Vandenburg suggested before the Senate, is debatable. Yet few traditional historians or Truman administration officials would contradict the assertion that if the Soviets were allowed to acquire the primary political position in western Europe then almost all gains acquired by defeating the Nazis would have been lost. These gains were not lost because of prescient political vision and strong leadership. Robert Donovan concludes that president Truman left behind the monuments of the reconstruction of postwar western Europe and the forging of the Atlantic community through the Marshall Plan and the North Atlantic Treaty Organization.7

The revisionist historian William Appleman Williams refutes the argument made by the orthodox historians. The Marshall Plan was not a response to unique circumstances in history which required a resolute response by the United States. The Marshall Plan and the Truman Doctrine, Williams argues, "were the two sides of the same coin of America's traditional program of open-door expansion."8 The military and economic emphasis of containment, what Walter LaFeber has termed "two halves of the same walnut", had little to do with saving western Europe from communism, revisionist historians maintain, but rather with assuring that American capitalists would have secure markets upon which they could unload their surplus production.9 Joyce and Gabriel Kolko contend: "The ERP [European Recovery Program] policy would have been the same had the USSR not existed. The basic problem was to reconstruct a capitalist Europe, thereby creating a capitalist trading structure for the export of goods and capital and the import of raw materials, which was a direct response to the imperatives of the American economic system."10 These imperatives, Williams concludes, molded the evolution of America's atomic age diplomacy: "It was not the possession of the atomic bomb which prompted American leaders to get tough with Russia but rather their open-door outlook which interpreted the bomb as the final guarantee that they could go further faster down the path to world domination."11

Notable characteristics of orthodox and revisionist
writings--the indignation revealed by revisionists over the coarse materialism guiding American politics, and in its own way, the stirring portrayals of the Marshall Plan that arose from most of the orthodox historians’ intimacy with the actual events--are not evident in a school of postrevisionist historiography that has emerged over the last fifteen years. Justifications and accusations are absent. They have been replaced by greater emphasis on explorations of how the Marshall Plan came to take its form in the Economic Cooperation Act of 1948, how this legislation was implemented in western Europe, and to what extent promulgated objectives where actually achieved. Postrevisionist historians have made extensive use of archives in West Germany, France, the United Kingdom, Italy, the Netherlands, Belgium, and Norway, to provide fuller character portrayals of the actor-states that played important roles in the Marshall Plan drama. Within this general development in Marshall Plan historiography, two approaches to the reassessment of Truman's policy objectives in Europe are discernable.

The first approach involves historians who have analyzed specific elements of the organization and impact of the Marshall Plan. Imanuel Wexler takes a strictly economic approach in examining whether the massive economic aid that the United States provided western Europe between 1948 and 1951 led to the desired results and was thus a successful program. He bases his conclusions on the criteria set forth in the Economic Cooperation Act that called for western Europe to have "a healthy economy independent of extraordinary outside assistance" by 1952 (somewhat detached language for what Senator Vandenburg referred to in his speech as getting the Europeans off the American dole). This overall goal would be furthered by the establishment in Europe of a strong production capacity, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the organization of European economic cooperation.

Wexler concludes that the economic objectives of the Marshall Plan were partially realized when the European Recovery Program ended officially on December 30, 1951. The almost 12.4 billion dollars in American grants had led to an unexpectedly strong resuscitation of European production and to the expansion of European foreign trade. Yet efforts at European economic cooperation had resulted in limited success up to that point, and the combination of the Korean war and increased European defense spending had vitiated much of western Europe's internal fiscal and monetary stability.
Wexler concludes his analysis by stressing that while the Marshall Plan was a mixed success in a strict and short-term perspective, it nevertheless laid the foundation for the economic boom that was to take place in western Europe from the mid-1950s through the mid-1960s.\textsuperscript{13}

John Gimbel is not so interested in examining the effects of America's European recovery aid as he is in exploring how the Truman administration justified its allocation of European assistance and how it was distributed after Congress approved the funding. Gimbel maintains that the Marshall Plan was not a response to a Soviet threat. His thesis, Gimbel states, is that "the Marshall Plan originated as a crash program to dovetail German economic recovery with a general European recovery program in order to make German economic recovery politically acceptable in Europe and in the United States."\textsuperscript{14} European sensibilities were basically the same in 1947 as they were after the First World War: it would be necessary to guarantee that Germany would never again have the war making capacity that had allowed it to tear apart Europe during 1914-1918, and for the second time in a half century, from 1939-1945. The State Department acknowledged their allies' worries by proposing that European recovery proceed at a measured pace that did not allow Germany's potential economic might to reestablish itself before the rest of Europe had a chance to put its economic house in order.\textsuperscript{15}

The War Department wanted no part of the State Department approach. The longer it took Germany to recover, the War Department argued, the longer their personnel and funds would have to be deployed in the occupation of Germany. Lucius D. Clay, the governor of the American zone in occupied Germany, thus proposed a quick recovery program. This would be accomplished by transforming the former enemy into the economic engine of postwar Europe and thereby facilitating the transition of Europe from a state of rubble to a state of sound political and economic affairs. The Marshall Plan overcame these differences between the War and State Departments, Gimbel argues, by allocating enough money so that rapid recovery could occur for all of western Europe, thereby alleviating fears on the Continent and reducing antagonisms between bureaucratic agencies within the Truman administration.\textsuperscript{16} In essence, Gimbel argues that the Marshall Plan, like the Camp David Accords, turned adversaries into allies by lavishing enough money all around that it was in everybody's monetary interest to cooperate.

The second group of postrevisionist works revolve
around the efforts of Alan Milward and Michael Hogan. Both historians have delved deeply into the archives to write overall accounts of the Marshall Plan that permit them to reach more general conclusions about the motivations, successes, and failures of Truman's European recovery program. Milward's conclusions are the more controversial. They are in fact part of an exercise in counterfactual history in which Harold van Cleveland, who helped put together the original fiscal figures for the Marshall Plan, has also participated. Cleveland and Milward both argue that most of the European recovery could have taken place without United States assistance. Cleveland notes that while recovery would have proceeded at a slower pace, it would have continued. He adds that even though the Marshall Plan was not an economic necessity, it was a brilliant stroke politically, leading Europeans to realize that the United States was willing to make the effort to maintain Europe's postwar security.17

Milward does not grant even this point. He contends that Europe's problem was not a lack of capital to promote economic growth, but that growth was occurring too rapidly, thus depleting the dollar reserves of the European countries. Except for the Netherlands and France, the Marshall Plan did not stave off economic ruin but simply provided a comfortable fiscal cushion for an already recovering Europe. By the end of 1949, moreover, the Marshall Plan was a "near-complete failure" politically because national differences in Europe were still distinct. Past antagonisms had yet to be allayed. The postwar world, Milward concludes, would have looked "much the same" without the Marshall Plan.18

Michael Hogan disagrees in part with Cleveland; he reaches fundamentally different conclusions than those of Milward. Hogan and Milward based their conclusions upon striking and impressive approaches of analysis. Milward culled the archives of Norway, France, Belgium, West Germany, and the United Kingdom to produce a huge amount of research that has allowed him to provide an intimate portrayal of European politics centered around the Marshall Plan. Although Hogan has limited his archival research to England and the United States, he weaves the rest of Europe into his story. He places his data into a structure that he calls the New Deal synthesis. America's recovery from the Depression, and the disillusioning experiences that stemmed from Europe's financial situation after Versailles as reflected in the Dawes and Young plans, had led to a general impression in American government circles that the most propitious method of pro-
moting economic prosperity in Europe after the Second World War would be to encourage a combination of private market initiatives, a large American allocation of capital grants, and a federal European structure that allowed, like in the United States, for smaller governments to practice economic policy in a larger and potentially more profitable market.\textsuperscript{19}

This economic experience gained in the 1920s and 1930s guided the Truman administration's construction of the Marshall Plan, Hogan contends. It also accounted for Britain's resistance to the organizational objectives of the New Deal synthesis. If the United Kingdom were to integrate its economy with the Continent and to liberalize its currency, a measure promoted by the United States to encourage international trade, then Britain's image of itself as a global power would be impossible to refurbish as it became simply another player in European politics with a currency no longer propped up by protection. Britain's worries over its postwar grandeur and French concerns over a reinvigorated Germany led the Truman administration, Hogan maintains, to compromise its federalist objectives in the Marshall Plan. Yet the economic success of the European recovery program was clear and dramatic. Hogan concludes: "the Marshall Plan must be judged as one of the most successful peacetime foreign policies launched by the United States in this century."\textsuperscript{20}

Milward wrote in a critical but civil review that with Hogan's book, "we now have the first full diplomatic history of the Marshall Plan."\textsuperscript{21} Milward is overly generous. Hogan does indeed provide a highly detailed and sophisticated account of Anglo-American relations during the Marshall Plan years, but it is Milward who provides this service regarding Continental politics surrounding Truman's economic assistance program. Both works are to be praised. Yet these books, by their very depth, tend to lose in the hundreds of pages of evidence and analysis the tensions and pressures that government leaders faced in the spring of 1947 and in the subsequent years. More substantive critiques can be applied to the works of the orthodox and revisionist historians.

Dramatic descriptions, eloquent arguments, and important conclusions are presented throughout the Marshall Plan historiography. Historians to date have provided great substance and nuance to the tale behind America's effort to help establish economic growth and political stability in Europe following the Second World War. What is either omitted or not sufficiently emphasized in these histories is the importance that personal observations made by principal
government players had in influencing Truman's European recovery program, the incredible pressures and time constraints under which these officials worked, the role that rhetoric or its absence played in influencing perceptions about government policy, the haphazard nature of bureaucratic decision-making, and the link that exists between psychological security and economic security in the definition of national prosperity. The facts about the Marshall Plan have been compiled, impressively so by recent postrevisionist historians. The task that lies ahead is to capture them in a gripping fashion so that the complexities of government decision-making and the tempo of the times in which these decisions were reached can be revealed fully.

A Critique of the Telling; An Analysis of the Tale

While speaking in Fulton, Missouri on March 5, 1946, Winston Churchill described the times as "anxious and baffling."22 Robert Dallek has concluded that uncertainty was the keynote of the early cold war years and that by 1947 a "growing sense of separation and vulnerability at home now registered forcefully on foreign affairs."23 This uncertainty was caused largely by the deterioration in Soviet-American relations and by America's worries about the country's transition to a peacetime economy. The Truman Doctrine addressed and intensified the growing perception in the United States that Stalin had czarist ambitions that could threaten the global prosperity of democracy. An ominous indication of where these designs could reveal themselves next was provided in late 1946 and early 1947 by the growing uncertainty about whether western Europe could establish economic and democratic vitality for itself in the postwar period.

Michael Hogan notes in an article exploring events leading to the Marshall Plan that a sense of urgency emerged in the American government caused by the devastating winter of 1946-1947 in Europe, the admission of Communists into the French government, and the growing fear in Washington that Europe's seemingly moribund economic condition would result in another international Great Depression. Key figures in the Truman administration considered that bold steps must be taken to check the spread of communism by bolstering the economic performance of western Europe.24 The uncertainty and anxiousness surrounding this period are described in the memoirs and semi-official histories that address the Marshall
Plan. The revisionists, on the other hand, side-step the "context of the times" issue altogether as they race toward their conclusions about the designs of the cold war cabal in American government.

The postrevisionists do try to address the issue and yet a conundrum arises from their efforts: how does a historian assemble in great detail a story which takes place over a period of only three to four years without compromising the essential quality in good historical writing of depicting and maintaining the mood of the times? How does a historian wander among and examine the wide variety of factual trees without forgetting and losing the image of the thematic forest? These are problems facing the historian that rarely have satisfactory answers. Michael Hogan did accomplish the task of balancing detail and design in the articles that he published, prior to his five-hundred page history of the Marshall Plan, dealing with events leading up to the passage in April 1948 of the Economic Cooperation Act. Perhaps success here resulted from Hogan's understanding that he had to keep theme, thesis, and evidence in a proper perspective to make a thirty page article meaningful. If this understanding could have been applied to the chapters in his book, then Hogan's major work would have been more engaging to the reader.

Keeping the historical setting in focus could be improved by assigning greater relevance to the observations made by Truman administration personnel who had major roles in influencing the Marshall Plan's conception. Naturally, this ingredient of the story comes across most tellingly in the accounts of the orthodox historians. It is somewhat lost in the mounds of detail in postrevisionist writings; it is absent almost altogether in revisionist arguments. An example of this point can be taken from the Moscow Conference as it was concluding in April 1947, when General Marshall was paying his last visit to Stalin before the secretary of state was to return to the United States. Charles Bohlen, who accompanied the General on his visit to the Soviet leader on April 18th, described the ninety minute meeting that ensued: "Doodling the inevitable wolf's head with a red pencil, he [Stalin] asked what difference it made if there was no agreement...To him, there was no urgency about settling the German question. We should be detached and even relaxed about the subject. This was his main thesis."26

Marshall concluded from that meeting that Stalin considered the best means to further Soviet interests in Europe was to let matters drift until chaos erupted. Upon his return
to the United States, the secretary of state delivered a national radio address underscoring Europe's plight and concluded: "The patient is sinking while the doctors deliberate." During these first few days back from Moscow, Marshall also requested that the Russian expert, George Kennan, leave his post at the War College, organize the State Departments' Policy Planning Staff, and have prepared in two weeks a policy paper with recommendations on how to turn around the situation in Europe. From general impressions created over the previous two years, the dire situation of Europe noted in the spring of 1947, and the observations made at a ninety minute meeting with Stalin, George Marshall became determined in later April 1947 to see that the United States would take the initiative in western Europe. An important shift in American diplomacy was beginning, not because of global designs of dominance, but because a key official had interpreted personal experiences as a national need for a bold European policy.

Marshall's conclusions were substantiated by a memorandum that undersecretary of state for economic affairs, William Clayton, wrote and sent to undersecretary Dean Acheson in May 1947, after Clayton returned from Europe. Clayton describes how, "Millions of people in the cities are slowly starving," and that Europe was at an already "absolute minimum standard of living. If it should be lowered, there will be revolution." He added later in the memorandum: "Aside from the awful implication which this would have for the future peace and security of the world, the immediate effect on our domestic economy would be disastrous: markets for our surplus production gone, unemployment, depression, a heavily unbalanced budget on the background of a mountainous war debt." Bohlen was to write the upcoming "Marshall Plan" speech based on Clayton's memorandum and the one Kennan was to present shortly to the secretary of state.

Personal observations made over a period of weeks thus played a vital role in molding the Truman administration's approach to European affairs. Rapid and decisive steps needed to be taken to avoid the potential collapse of western Europe, which if it took place, would dramatically increase the threat of communism to the United States. It would do so in two ways. The cause of democracy would have been dealt a great blow. Yet as Clayton notes, America's economy would suffer greatly, as well. The revisionists are certainly correct in noting the importance that economic calculations had in
the Truman administration's presentation of the Marshall Plan as a program that, while spending money, would also put many millions of dollars into American pockets.

On May 16, a week prior to Clayton's memorandum, Kennan and the Policy Planning Staff, which had been established eleven days earlier, had completed a list of recommendations, as Marshall had requested, for how to improve the health of the sinking patient named western Europe. "The most important and urgent element in foreign policy planning," Kennan began, "is the question of restoration of hope and confidence in Western Europe and the early rehabilitation of the economies of that area." The United States should be forthcoming in aid, and yet: "The program for American aid should be, if possible, supplementary to a program of intramural economic collaboration among the western European countries which should, if possible, be initiated by one of those countries...A clear distinction must be observed between these two programs." Kennan went on to stress: "We should be careful not to talk in terms of loans when there is no plausible prospect of repayment and should make it clear to everyone that assistance in these cases will have to be by means of outright grants."29

The last comment is an unmistakable allusion to the debts that the Europeans owed to the United States after World War I and how these liabilities led to the Dawes and Young plans and eventual irrelevancy regarding actual repayment. The aftertaste for the Americans of that experience had been bitter, another example of how the Europeans had managed to bamboozle their American cousins. Kennan understood this and therefore recognized the need to be forthright with the American public from the outset about how the United States should finance European recovery. At the same time, Kennan understood the dangers of managing the details of how recovery should proceed. America would supply the financial capital; Europe could lay out the political capital to create the proper, free-market conditions for encouraging economic growth. Kennan's memorandum was not a blueprint for American dominance of Europe and the world. It was a piece of analysis, researched and written in eleven turbulent days, that emphasized not so much prospective areas of American aggrandizement but rather the pitfalls the United States must avoid to escape falling into the same international monetary quagmire that the country found itself in after the First World War.

The month of May provided yet another important
moment leading to the creation of the Marshall Plan when undersecretary of state Dean Acheson made a policy speech on the 8th before the Delta Council in Cleveland, Mississippi. John Gimbel has argued, beyond how Germany was the key motivation for the Marshall Plan, that the Truman administration obfuscated its plans to encourage European recovery. This was necessary to lull the Congress and the American public into approving the massive aid program, a major portion of which would be used to rebuild a society that had caused so much recent misery. Acheson's Delta Council speech contradicts Gimbel's argument by revealing how the Truman administration presented its program publicly as idealistic, self-serving, and clearly oriented towards assisting Germany. Acheson stated in his speech that the gap between peace and anarchy was diminishing because of three economic realities: (1) the "acts of God" that had translated into two years of drought and a terribly cold winter in Europe (2) the amount of rubble that still needed to be cleared for countries to become fully functioning again, and (3) "...the grim fact of international life...that two of the greatest workshops of Europe and Asia--Germany and Japan--upon whose production Europe and Asia were to an important degree dependent before the war, have hardly been able even to begin the process of reconstruction because of the lack of a peace settlement."30

Acheson then told his audience of the huge surpluses that the United States had, how these were being used to facilitate reconstruction, but how both the vanquished and the victors in Europe did not have sufficient funds to purchase additional and needed goods from America. It was thus necessary, he concluded, to provide the funds to America's allies to promote democracy and vibrant capitalism on both sides of the Atlantic. Acheson did not dilute with abstractions the motivations that lay behind this proposal: "These measures of relief and reconstruction have been only in part suggested by humanitarianism...your Government is carrying out a policy of relief and reconstruction today chiefly as a matter of national self-interest."31 The Truman administration made it clear that the need for a vital German economy, the need to lessen America's surpluses of raw and processed goods, and the cause of postwar stability, all necessitated a large American aid program to Europe. The president was "playing it straight" with the American people as Kennan was to recommend that Marshall do with the Soviet leadership later on.

The absence of anti-communist and anti-Soviet rhetoric in the secretary of state's "Marshall Plan" speech de-
livered at Harvard on June 5, 1947 is indeed well known. Bohlen notes in his memoirs that he and Marshall had told Truman that they felt the president's rhetoric employed in the March 12 "Truman doctrine" speech was too confrontational. The Administration's stated objective of containing the expansion of communism could be pursued with less provocative means. Marshall had emphasized to those preparing his policy address that "irritation and passion should have no part of the matter." This did not mean, as Kennan emphasized, that the proposed aid program should be a blank check to the Europeans and to the Soviets: the scope of the program should lie within the realm of calculated political economy. The secretary of state thus told the crowd gathered at Harvard: "governments, political parties, or groups which seek to perpetuate human misery in order to profit therefrom, politically or otherwise, will encounter the opposition of the United States."32

This absence of strident rhetoric against a particular ideology or country substantiates Adam Ulam's assertion that the revisionist thesis of atomic diplomacy is ill-founded.33 Ulam queries that if the United States intended to manipulate the Soviet leadership through America's newly acquired military assets, then why did Truman not pointedly tell Stalin, before Soviet soldiers had moved into Manchuria, that Soviet assistance in the defeat of Japan was no longer necessary. A similar line of reasoning can be applied to the Marshall Plan. If it were intended as a clear check against Soviet expansion, then why did Marshall not state as much in his Harvard address? By mid-1947 Soviet-American relations were stripped of practically all illusions. If the United States was planning world hegemony at the expense of the Soviets, then Marshall, as secretary of state, could have easily contoured his speech to make it a direct challenge to Soviet interests: all those willing to take an anti-Soviet stand would receive American dollars in recognition of their position. This was not the purpose of Marshall's proposition, however. It was a purposely toned down, limited offer to provide a large infusion of American capital to those nations willing to employ it in promoting societies guided by democratic and free-market principles.

It is true that the Marshall Plan, by promoting these precepts, reflected an American exercise of "in our image." Hogan's analysis of the New Deal synthesis perceptively portrays the image that the United States was trying to project. This being the case, did the Truman administration ever seri-
ously contemplate making the Soviets a part of the Marshall Plan funding? The orthodox historians say yes, the revisionists say no, and the postrevisionists say that both groups are right. Marshall did ask what the United States should do about including the Soviets, and Kennan did reply that they should "play it straight," allowing Stalin to participate if he so desired. James Byrnes (Truman's secretary of state from July 1945 through December 1946) expressed in, *Frankly Speaking*, what most of those involved in the Marshall Plan proposal probably suspected prior to the June 1947 Paris meeting during which the Marshall Plan was outlined for the Europeans: Soviet foreign minister, V. M. Molotov, refused the offer of American aid because of the inspection intrusions that acceptance would have entailed. These stipulations, the revisionists argue, reveal that the United States was not serious about including the Soviets.

This assertion by the revisionists needs to be balanced by two other considerations. As the postrevisionist historian John Lewis Gaddis has noted, there was no chance of Congress passing legislation to provide billions of dollars to the Soviets once the mood of the American public in 1947 and 1948 had been taken into account. Isolationism and anti-communism were prevalent. Yet let us assume, for a brief bout of counterfactual history, that the Congress had approved the funding, and the Soviets had allowed the inspections. Just where would Stalin allow these inspections to take place, and what would the funding be used for by the Soviet dictator? From what is known about Soviet domestic history during the early postwar years, it can be deduced that American delegates most likely would have been shown a twentieth century version of the Potemkin village while American aid was employed to rebuild a centralized economy and to further centralize an already deadly concentration of political power. As events actually unfolded, Ulam describes, the Soviets interpreted the Marshall Plan as a hostile act by the bourgeois world to reclaim eastern Europe. Stalin's response was, specifically, to found the Cominform in September 1947, and generally, to tighten his control over eastern Europe. In this sense, the Marshall Plan did further divide a communist and capitalist Europe.

Even though the Soviets and their newly acquired buffer states were excluded from the Marshall Plan, the cost to America of providing aid to western Europe was still enormous. The dollar amount proposed for the long term European recovery program caused divisions within the
Democratic and Republican parties. The conservative senator, Robert Taft, labeled the program as a "European TVA" while the progressive, Henry Wallace, spoke of a "Martial Plan." Senator Vandenburg told the Truman administration not to include the sum of seventeen billion dollars in the proposed legislation to be sent up to the Hill because that would provoke opposition. Vandenburg himself was torn between the costs of the Marshall Plan and his desire to battle communism, as he wrote to his wife in November, 1947: "If our friends in Western Europe are allowed to starve and freeze to death this winter, the Commies will be completely back in the saddle. On the other hand, we must keep our own feet on the ground and avoid commitments that would disrupt our own economy. Where to draw the line!"37

What Vandenburg's words and the divisions within America's political parties reveal is that while a general recognition existed in the United States about what needed to be done to encourage stability in western Europe, America was divided over its humanitarian impulse and whether national interests at home would be compromised by attending to national interests overseas. Indeed, Milward notes in his review of Hogan's book that, "Much of the revival of diplomatic history in the last ten years has been due to the belated recognition that it is superficial stuff unless it relates to what is actually happening inside the countries."38 Milward then praises Hogan's book for its portrayal of the complexities of domestic politics that stirred the Marshall Plan debate in the United States. Big businesses did not necessarily have the same interests as small businesses, Hogan explains, and such divisions of interests ran through geographic regions, political parties, and the Truman administration itself.39 The national debate about the Marshall Plan revealed that there was no single American interest to further abroad, but a host of specific interests that a host of groups viewed as being both served and disserved by the Marshall Plan project.

A principal cause of the contradictions in the American response was that the isolationist mood of America was clashing with what Robert Dallek has described as the "psychology of hope." "The continuing desire for universal harmony," Dallek notes in his book, The American Style of Foreign Policy, "expressed itself in the Marshall Plan."40 This reflected the evangelical element in the psychology that influenced America's international politics. The United States and the world could be at peace and enjoy prosperity if the message about the benefits of the American approach to
social organization could be grasped by the international community. Historians of the Marshall Plan have noted how the discrepancy between the pristine and practical qualities of the United States' proposed European recovery program led to much of the national uncertainty about its merits.

Dallek's psychological analysis underscores a gap that exists in the research completed on the Marshall Plan. What Hogan accomplished with the long-range perspective in his analytical tool of the New Deal synthesis has yet to be done in addressing the question of how the American response to the Marshall Plan represented the psychological themes present in American diplomatic history throughout the twentieth century. America's experiences with domestic and international economics clearly influenced how the Truman administration stipulated that ECA funds should be used. The arguments for and against approving that funding, however, revealed the important role that prevailing national sentiments played in influencing how lessons in economic history were applied to the construction of current government policy. National moods and national economic policy are two sides of the same coin upon which America's international politics have been stamped during this century.

The preamble to the 1948 Economic Cooperation Act recognized, "[the] intimate economic and other relationships between the United States and the nations of Europe," and that, "the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations." The orthodox school of Marshall Plan historiography points out consistently that, as stated in the preamble, both American idealism and self-interest were largely served by approval of the ECA. It was the result, as William Appleman Williams notes, of three concepts prevalent among the public and the politicians that had guided United States foreign policy since the turn of the century: (1) a sense of humanitarianism (2) the belief in everyone's right to self-determination, and (3) the visceral notion that the American approach was the best to governing a country. Joyce and Gabriel Kolko and Williams are also correct to depict the motivation of the Marshall Plan as stemming from the need to reduce the United States' growing economic surpluses. Gaddis tells us that one of the central contributions of the revisionist school of cold war history is their reemphasis of America's economic motivation for engaging in international politics.
The revisionists' reemphasis should be accompanied by reemphasizing that the Truman administration never tried to conceal the economic benefits of the Marshall Plan for the United States. It used this attraction as one of its main selling points of the Plan to the Congress and to the American people. Acheson's Delta Council speech makes this clear. The revisionists are clearly wrong when, as the Kolkos do, they argue that the Truman administration employed Red Scare tactics to gain approval for the Marshall Plan, a policy designed, the revisionists maintain further, to increase the United States' dominance of the world economy. As noted, Marshall made it a point not to use anti-Soviet rhetoric in his Harvard address and had criticized Truman in private for doing so in March 1947. The way in which the Marshall Plan came to fruition—the influence of personal observations about the misery breeding in Europe, the time-pressures facing the Plan's architects, the stress on getting Europe back to economic prosperity, and Kennan's emphasis on grants and not loans as the process by which to encourage the recovery—points to a process of policy-making that was haphazard, rushed, and guided not by designs of conquest but by fears of repeating mistakes made in the interwar years.

The world dominance argument can be put to rest with an understanding of an economic axiom. When a company that dominates a town wants to keep its employees indebted and thus subjugated to the company, does the company provide those employees with a sum of cash, free of charge, with which the employees can pay off their debts? No, the company provides the employees with loans at high interest rates that further sink the employees into debt, thus increasing the company's hold over the employees. Kennan, Marshall and Truman had a sound understanding of economics and that is why they stressed grants to Europe and not loans. They had no interest in being the content capitalists presiding over a destitute company town. In part, these capitalists had an aversion to presiding over such a situation because they were well aware that the communists managed their business affairs in a radically different way, a form of management that workers had heard about and had talked of approvingly.

N. Gordon Levin Jr. is thus correct in concluding: "[the] Wilsonians laid the foundations of a modern American foreign policy whose main thrust, from 1917 on, may be characterized as an effort to construct a stable world order of liberal-capitalist internationalism, at the Center of the global ideological spectrum, safe from both the threat of imperialism
on the Right and the danger of revolution on the Left." The Marshall Plan addressed this objective from, in the words of Donovan, "its rambling evolution from the jungle of problems that called it forth." Once funding for the European recovery program had been approved in April, 1948, "The overriding task that seemed to confront American policy in Europe," as Truman put it sometime earlier, "was to provide an incentive for the Europeans to look at the situation in the broadest possible terms rather than in a narrowly nationalistic, or even partisan, focus." That incentive was to tie the reception of American dollars under the Marshall Plan to the restructuring of the European economies so that they functioned within a federalist structure; or more specifically, within the guidelines of open borders, free trade, and responsible fiscal management.

Orthodox historians tend to portray this process of encouraging European federalism as largely successful. "One of the reasons the Marshall Plan worked so well," Bohlen argues, "was that the sixteen European countries that joined it contained the necessary qualified personnel, skills, and institutions. All the United States was doing was injecting a little economic blood into a system that had stopped functioning." Bohlen's conclusion is wrong in almost every respect, as the postrevisionists have made clear. Milward shows that while a few Europeans held a vision of European cooperation (Schuman, Monnet, Spaak), this did not translate into a rapid evolution towards European economic integration. Even the Rome Treaty of 1957, the legal foundation for the European Economic Community, contains considerable exclusions for national priorities.

Both Milward and Hogan explore in their books the details of how British desires for regaining its colonial grandeur, French fears of a revitalized Germany, and the determination of leaders in Germany to control their own economic recovery, resulted by the end of the ECA's jurisdiction in December, 1951, in only limited European federalism. As for trained personnel, Hogan points out that it was the lack of such experts that compelled the ECA to use its funds to train Europeans in the modern techniques of economic management. Over three hundred American specialists were sent to Europe, 124 European-American labor management groups were established, and technical and scientific information were disseminated through films, literature, and exhibits. Orthodox historians are accurate overall in depicting what led up to the Marshall Plan but tend toward self-justification when it
comes to their evaluation of the Plan’s consequences. The implementation of the Marshall Plan receives the most detailed and balanced treatment from the postrevisionists.

Structural reorganization of Europe’s economies was one of two objectives set before the Marshall Plan. The other was simply to get Europe’s economies to produce enough to keep its people dry and fed and to have enough assets left over to build an infrastructure for a modern free-market system. Wexler argues, as noted, that in the short term the Marshall Plan was a mixed economic success using the Plan’s own criteria, but that nevertheless, it was a dramatic success in the longer perspective. Hogan agrees with this line of reasoning. The revisionists do not address so much the consequences of the Marshall Plan for western Europe as they do its existence as another factor increasing Soviet fears of an aggressive American foreign policy. Ulam, whose provocative style is not to be confused with the revisionist school’s, does point out that the Marshall Plan did result in increased Soviet paranoia. Yet as with so much of revisionist writing, cause and effect are confused in the making of an argument. Ulam’s point is certainly correct. Yet there is no evidence that the Marshall Plan was meant to provoke the Soviets, as the revisionists argue. The political consequences of the Marshall Plan in eastern Europe, the postrevisionist duo of Milward and Cleveland argue, could have been avoided altogether since western Europe’s economy would have largely recovered without the huge influx of American dollars and technology.

Let us assume that the assertion of these two historians is correct. Could the leaders of the United States afford in 1947 to base their postwar policy on a calculation that parts of Europe would probably recover on their own? Politicians carefully calculate the costs and benefits of their decisions, and as Truman notes:

Seventeen billion dollars sounded like a huge sum, and of course it was. But compared to the financial cost alone of World War II, it seemed small. The money to be invested in the rebuilding of decent standards of living in Europe would amount to only five per cent of the sums we had expended to defeat the Axis. It would represent less than three percent of our total national income during the time that the program would be in effect.
Seen from the perspective of the White House, the living rooms of America, and the capitals of Europe, the stakes being played for were the prevention of the spread of communism and for the promotion of democratic, capitalistic societies. At minimum, Truman felt it worthwhile to hedge his bets by advocating the Marshall Plan and thus improving his chances of winning the strategic game and preserving his political career. "If there is a single theme which runs through this book," Gaddis wrote in the preface to *The United States and the Origins of Containment*, "it is the narrow range of alternatives open to American leaders during this period as they sought to deal with problems of war and peace."51

Beyond America's domestic politics, the economic consequences of the Marshall Plan cannot be separated from the mood of despair that existed in Europe from 1946 to early 1948. Recent West German history on the Marshall Plan has also questioned the specific economic benefits of American aid. It tends then to go beyond Milward and Cleveland, however, to stress the enormous psychological impact the Marshall Plan had upon German hopes of digging themselves out of the rubble and moving towards recovery. Knut Borchschardt and Christoph Buchheim have provided a detailed argument that in the West German textile industry Marshall Plan dollars played a crucial role in unblocking the impasse that had arisen from the immediate need for increased cotton imports and the national policy of keeping inflation in check. Textile merchants and manufacturers could not raise prices sufficiently to build a base of capital for purchases of raw materials and machinery. Marshall aid provided them with the goods and the capital, thereby allowing prices and inflation to remain low.52

Yet the importance of Marshall Plan aid for the West Germans went beyond financial support to include the Plan's symbolism as a sort of ralying cry of American support for Europe's efforts at reconstruction. This was stressed by Chancellor Willy Brandt when he spoke at Harvard on June 5, 1972, to commemorate the twenty-fifth anniversary of the Marshall Plan's passage into law. He explained that the result of the program: "was more than the release of economic dynamism, more than the rekindling of industrial vitality which produced miracles, not only in the Federal Republic of Germany after the currency reform. Every nation of Western Europe showed in its own way that it possessed the unbroken will to work and pull itself up again, a will that had only waited to be sparked off."53 The argument that has been made
in this essay for what constituted the motivations behind the American public's acceptance of the Marshall Plan can also be applied to evaluate the consequences of the European recovery program. Economic and political factors must surely be considered, but these cannot be separated from psychological considerations when one seeks to construct an overall assessment of the driving forces behind America's international policies and the impact they had, and have, at home and abroad.

What underlies this point is the more general consideration of what constitutes good historical scholarship. The three schools of Marshall Plan historiography all display important elements of what should be included in an engaging, intricate, well-argued exploration of history. The orthodox historians provide the drama, the sense almost of emotion, that surrounded the turbulent times of the early postwar years. The revisionists are correct in pointing out the economic, self-serving motivations of America's cold war politics. Although their arguments have numerous flaws, the very provocativeness of the revisionists' approach has initiated a response that has left the overall body of Marshall Plan historiography considerably richer. Contentious arguments such as those provided by the revisionists have their place in an open and vital historical debate.

The response by the postrevisionists has been to dig deeply into more recently opened archives to counter their immediate predecessors by constructing a more balanced history of the Marshall Plan. They have succeeded admirably in this task, whether in their technical economic data or in their broader portrayals of Atlantic diplomacy. In their search for objectivity, however, the postrevisionists have become almost too detached from their subject, often depicting their subject and presenting their conclusions in an abstract or dry style. History is an art form, and the historian should not retreat from using brisk and varied prose to instill pace and vigor in their portraits of the past. This form of presentation does not detract from the quality of the scholarship but enhances it, placing the rich details unearthed by research into a context as close to the times examined as possible.

This approach is especially apt for a period as dramatic in the scope of its consequences and in the density of its detail as the Marshall Plan years. Truman's recovery program was a response to the perceived suffering of millions of Europeans, and more specifically, to Marshall's interpretation of Stalin's practiced aloofness during their ninety-minute meeting on April 18th, 1947. It was influenced by the stark
observations of undersecretary Clayton, the analytical mind of Kennan, and the legislative expertise of Vandenburg. It reflected the psychology of hope so prevalent in the American mood at the time, and the pervasive fear that if Europe's economy failed, America's would suffer dramatically, too. It underscored, to paraphrase Vandenburg, an American faith that by pursuing national interest, global--humanitarian--interests would also be served. It revealed the gap between Europe's visionaries and those that sought power within the narrower confines of national economic and political interests. It was a period of history marked by hastily assembled answers to momentous problems, by national vanity and national selflessness, by partial successes and partial failures. It was, in short, like many other periods of history, and yet altogether unique.

The Marshall Plan Today

Both the uniqueness of the past and its similarities to the present has been recognized recently by distinguished historians. Michael Howard has written in the journal, Foreign Affairs, about a current springtime of nations. H. Stuart Hughes has made a similar comparison between 1848 and 1989 in the Los Angeles Times. We are witnesses to a renaissance of hope in eastern and central Europe, to the wake of the cold war, and thus to an end in a period of historical consciousness that has spanned over four decades. How do we approach the emerging era? Former West German chancellor, Helmut Schmidt, tells us, "We need a European Marshall Plan for Eastern Europe." Zbigniew Brzezinski, president Carter's former national security adviser, has proposed that the United States provide eastern Europe with a twenty-five billion dollar aid package. After all, he argues, the Marshall Plan cost 179 billion, in 1989 dollars. Richard Gephardt, the majority leader in the House of Representatives, has recommended that America send its agricultural surpluses to the Soviet Union, a "food for freedom" program. "Stability, democracy, and a market economy in the Soviet Union," the Representative has argued, "are in America's strong self interest."

The reception of Gephardt's proposal has been lukewarm on Capitol Hill and by the American public. Budget deficits compounded by the Persian Gulf war and concerns over domestic social problems make the idea of a Marshall Plan for the Soviet Union and eastern Europe appear as a lux-
ury that Americans feel they are neither able, nor willing, to afford. Recent political developments in the Soviet Union make it unclear, moreover, whether United States assistance would be employed to install an open, market-driven economy. Americans would most likely be hesitant, as was the case with the Marshall Plan, to provide massive aid to a regime that did not employ democratic and capitalistic systems of governance. Reference to the Marshall Plan by Schmidt, Brzezinski, and Gephardt nevertheless underlines the status that the Marshall Plan myth has today as a symbol for an unusual act of national munificence. Gephardt's referral to surpluses, to making the Soviet system just like America's, and this country's ambivalence to his proposal, also reveal that the themes which shaped the original Marshall Plan continue to influence the design of American foreign policy.

NOTES
2 Ibid., 389.
6 Jones, 78-85.
11 Williams, 229.
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13 Wexler, 250-255.
15 ibid.
16 Gimbel, 273-275. Another analysis of the bureaucratic aspect of the Marshall Plan is Hadley Arkes', *Bureaucracy, the Marshall Plan, and the National Interest* (Princeton: Princeton University Press, 1972). Arkes' approach is theoretical. He examines the role of regimes - the ECA and Congress - in performing state policy and argues that the roles of these regimes within the state were important in influencing the outcome of the Marshall Plan. They not only contributed to the definition of national interests, but they played key roles in pursuing what they helped to define.
18 Milward, 469-70, 252.
20 Hogan, 445. Henry Pelling argues that the Marshall Plan was even a political success. It kept the communists from taking over in western Europe and it paved the way for Europe's acceptance of a prosperous Germany. It was a success economically, as well, Pelling argues. The objective of the Marshall Plan was to restore living standards to their prewar levels and this was largely done after four years; see Henry Pelling, *Britain and the Marshall Plan* (Basingstoke: Macmillan Press, 1988).
The stipulations that the United States outlined included concrete evidence that recipients of Marshall Plan aid were constructing a free-market economy. American officials made it clear at Paris that they expected to be allowed to see first-hand evidence of this process.


36 Ulam, 130, 136.


40 Dallek, 172; Armin Rappaport explores how rhetoric stressing idealism was used to sway Congress to approve Marshall Plan funding and to convince the American public of the virtues of the program; see Armin Rappaport, "The United States and European Integration: The First Phase," *Diplomatic History* 5 (Spring 1981):121-149.

41 US Economic Cooperation Act (Title One of the Foreign Assistance Act), Appendix A, in Pelling.

42 Williams, 13.

43 Kolkos, 359, 376, 379.

44 Gaddis, 357.


47 Truman, 109.

48 Bohlen, 266.


50 Truman, 118.

51 Gaddis, vii.

52 Knut Borchshardt and Christoph Buchheim, "Die Wirkung der Marshallplanhilfe in Schlusselbranchen der Deutschen Wirtschaft," [The Effect of Marshall Plan Aid in Key Branches of the German Economy] *Vierteljahrshefte fur*

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**Articles**


