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## In Whose Interest?

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*The Accidental President: Harry S. Truman and the Four Months that Changed the World* by [A.J. Baime](#)

Doubleday, 431 pp, £20.00, February, ISBN 978 0 85752 366 2

*The Marshall Plan: Dawn of the Cold War* by [Benn Steil](#)

Oxford, 606 pp, £25.00, March, ISBN 978 0 19 875791 7

Like Stalin, Harry Truman was a product of the criminal underworld. The Kansas City of his youth was known for its card sharks and conmen. Jesse James was not long dead and the murder rate outstripped Chicago's. But it was also a town preoccupied with respectability. Farm boys on the make wore suits, mob bosses dined early with their families in ersatz châteaux and the legendary jazz scene – Truman may have heard Charlie Parker live – was a middle-class affair found in labour union halls rather than bordellos. Two Irish gangs, the Goats and the Rabbits, fought for control of the city. Tom Pendergast, the cunning, sickly boss of the Goats, ran his operations out of a two-storey building on Main Street, where the thugs of his Ready-Mixed Cement Corporation were dispatched to buy votes, steal ballot boxes, kidnap candidates or gun down whomever, to keep him kingmaker. The Goats' capture of local tax revenue partly depended on the contracts Pendergast was awarded by his handpicked county judges (elected administrative posts in Missouri) who controlled the purse strings.

By the early 1920s, the Goats had the Rabbits on the run. Pendergast's empire expanded to Wichita, Kansas and Omaha, Nebraska. 'Big Tom' was in need of a new, pliable county judge he could trust. His nephew Jim proposed a war buddy of his: Harry Truman, 39 years old, from a farming family, now running a failing men's shop downtown. Truman accepted the offer. He used Pendergast to gain a livelihood and political foothold, while Pendergast traded on Truman's reputation in order to secure federal contracts. It was not lost on Truman that his main asset was his wholesomeness. He liked poker, bourbon and jazz, but all in seemingly moderation. When Judge Truman routed a highway through his mother's farm, destroying a few dozen acres, he refused to pay her the state compensation she was owed for fear of appearing shady. Truman also appears never to have fallen for the honey traps the Rabbits set for him around Kansas City. One biography describes him arriving for a meeting at a hotel room, opening the door, seeing a woman in a negligée, and running full speed in the opposite direction.

Truman's political bearings owe something to his childhood in Missouri farm country, where the Trumans got by modestly during the agricultural boom of the early 1900s. Descended from a family of Scotch-Irish baptists who understood themselves privileged – and chosen – to work the land, they also believed that the US federal government could on occasion align with Providence, as it had in the days of Andrew Jackson, the great champion of the white settlers on the frontier. Young Harry read Mark Twain, played the piano and listened to Mozart. He disapproved of boxing, guns and Wagner. Endowed with porch-front charm, he was self-conscious about his 'girl's mouth' and his 'inordinate desire to look nice' when posing for photographs. His success as a mounted officer in the US army in France during the First World War was his only experience of the wider world and became a long-standing source of satisfaction. Truman was the only American president to have had first-hand experience using chemical weapons, which may account for some of his later sangfroid when presented with newfangled weapons of mass destruction. After returning home from the front, Truman worked for several years on the family farm. A poorly timed investment in an Oklahoma zinc mine appears to have stirred his sense that there was something awry in the way capital speculation operated. But he prided himself on staying the course, and was averse to connecting the large and the small. He was still writing love letters to Bess, his future wife, when Stalin was writing 'Marxism and the National Question'.

At fifty, Truman seemed destined to remain a provincial politician. He was too old to campaign. He was a poor speaker. He was uxorious. He was content to ride the populist wave of the New Deal, but only so far. He flirted with the Ku Klux Klan, but never bid for their backing. His political support was based on his delivery of an immense amount of infrastructure to people still living in primitive, back-country squalor, and, to all appearances, getting it done on the cheap by his patron. (In this way, Truman's trajectory foreshadowed the rise of Lyndon Johnson, the only other 20th-century president from comparably hardscrabble origins.) Truman's time as a county judge is an example of what might be called generative corruption – a typical engine behind the high-development phases of modern states – as opposed to the state-stripping, kleptocratic variety. Truman never got rich from local politics but his political fortunes changed in 1934, when, after four of his cronies turned down Pendergast's offer to be his senator cum lackey in Washington, Pendergast approached Truman, who obliged.

When Truman arrived in Washington as a senator, newspapers jeered at him as the 'senator from Pendergast'. Truman tried to distance himself from the boss. He made his national reputation with a penny-pinching campaign against excessive military procurement, and created his own small committee which toured American military bases and found uncontrolled purchasing everywhere. The committee was popular, and got Truman's face on the cover of *Time* as a paragon of rectitude. But until Pendergast went to prison for tax evasion, the Democratic Party still largely treated Truman as a bypassable mafia underling. When Roosevelt needed Midwestern votes, he called up Boss Tom to check on how he was coping with syphilis. By the time Pendergast died in 1945, pundits thought that Truman – by then vice president – was inviting scandal when he decided to attend his old boss's funeral. He was the only public official in attendance. But voters admired Truman's chutzpah. Missouri machine politics, bourbon-fuelled bull sessions, bureaucratic showmanship: it was perhaps not the worst preparation for the greatest poker game of all, the Cold War. 'Stalin,' Truman concluded after meeting him at Potsdam, 'is as near like Tom Pendergast as any man I know.'

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As A.J. Baime makes abundantly clear in *The Accidental President*, no one wanted Truman to become president, possibly not even himself. He was ambitious, but not that ambitious. 'I'm one American who didn't expect to be president,' he told the press, in one of his 'Aw, shucks' asides. The troubles began when his name floated to the top of the list of lesser-evil running mates for Roosevelt after the Democratic Party blocked the left-wing Henry Wallace from remaining vice president. 'Who the hell is Harry Truman?' William Leahy, Roosevelt's chief of staff, asked. 'I hardly know Truman,' Roosevelt said. 'He has been over here a few times, but he made no particular impression on me.' Roosevelt would see Truman only twice during his fourth term, and he kept his vice at a distance from vital affairs. All of this left Truman unprepared to take over. His international recognition was close to zero. When Goebbels entered Hitler's bunker to celebrate the death of FDR with a bottle of champagne, they barely knew who was replacing him. The Japanese leadership was more circumspect: their intelligence indicated that they were even less likely to get a conditional peace from Truman than they were from Roosevelt. Churchill thought Truman might be more malleable than FDR, while Stalin took a quick dislike to him after Truman – allegedly – dressed down Stalin's foreign minister, Vyacheslav Molotov, about the coalition government in Poland. 'I have never been talked to like that in my life,' Molotov told the new president, in Truman's own gilded telling. 'Carry out your agreements and you won't get talked to like that,' Truman said.

Like Stalin (and again, like Johnson), Truman was acutely aware that he had inherited a nation from a more charismatic predecessor, whom he knew others would believe he was unworthy of replacing. He made a point of purging some of Roosevelt's most trusted advisers, firing Henry Morgenthau ('didn't know shit from apple butter'), the former prosecutor of Pendergast, after a ten-minute interview. Truman's famous decisiveness was a response to this vulnerability. He not only made a lot of decisions, but he dramatised the speed, concision and finality with which he made them. 'Everything he said was decisive,' Wallace wrote in his diary. 'It almost seemed as though he was eager to decide in advance of thinking.' Averell Harriman, Truman's secretary of commerce, said: 'you could go into his office with a question and come out with a decision more swiftly than any man I have ever known.'

There was still a lot to decide in 1945. To American foreign policy elites it seemed that the world could be moulded to their liking, though Truman's most notorious decisions were taken with immediate ends in mind. He elected to bomb Japan in order not to commit more ground troops to the invasion, and to keep the Soviets from being partners in the peace in the Pacific (something FDR might well have invited). Despite finding 'the Jews ... very, very selfish', he recognised Israel for domestic gain ('I don't ever recall the Arab vote swinging a close election'). He disengaged his party from the interests of American labour, then at the height of its power, for fear of presiding over a workers' republic. He inaugurated the tradition of undeclared, Congress-unapproved wars abroad in Korea, where he expected a quick victory, and vastly expanded the number of military bases around the world, despite having made his name as a critic of military excess. He expanded America's rudimentary intelligence services – which some Republicans wanted to disband at war's end – though he occasionally worried about leaving behind an 'American gestapo'. Most significant, Truman delivered his 'doctrine': a global commitment to succour anti-communism everywhere, and to deliver material assistance to countries that aspired to join the capitalist bloc. The common feature of these decisions was the binary worldview behind them. Truman divided the world into the bad and the good, the developed and the undeveloped, the American and the not. Roosevelt's 'one world' theorising had no appeal for him. Truman was impatient with multilateral shenanigans. At Potsdam, when pressed to continue Lend Lease aid by Stalin and Churchill, Truman echoed the official mantra of the State Department in a letter home to Bess: 'I have to make it perfectly plain to them at least once a day that so far as this president is concerned Santa Claus is dead and that my first interest is the USA.'

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The Marshall Plan has come down as the Truman administration's most admired achievement – the outstanding exception to its unilateralist instincts. It was recognised as such at the time by even some of the more severe observers of American activity in Europe. In 1949, Georges Bataille celebrated the Marshall Plan as the greatest example of human generosity since the Native American potlatch. In American policy circles, the words 'Marshall Plan' have congealed into a panacea for every problem on earth – and outer space. Al Gore proposed a Marshall Plan for the environment; Asif Ali Zardari proposed a Marshall Plan for Pakistan; Sarkozy proposed a Marshall Plan for the banlieues; Bono proposed a Marshall Plan for refugees; two years ago, a former US army general called for a Marshall Plan against Isis. At its fiftieth anniversary Bill Clinton richly called on the 'spirit of the Marshall Plan' to renew an 'undivided Europe', while Obama repeatedly called for a 'new Marshall Plan' to guarantee 'the common security of the whole world'. Well after the 1980s, when Alan Milward dismantled the myth that the Marshall Plan had injected capital into a continent that lacked it, rather than unlocking capital already there and speeding up a recovery already underway, liberal historians – mostly American – continued to extol the plan as an example of enlightened US hegemony. It is still widely seen as the ultimate can-do scheme of the postwar decades, when the United States pursued its interests headlong, but in a way that convinced its partners that what was best for America was also best for the world.

As Benn Steil recounts in his refreshingly heterodox new history, the plan was an outgrowth of the 1947 Moscow conference, where discussions between the US Secretary of State, George Marshall, and Stalin and Molotov broke down over the future of Germany. Stalin still wanted Germany broken into smaller pieces in order to contain any future threat. Now, with Soviet forces more firmly in control, he was more confident he could extract war reparations and material equipment from the country as a whole, which would mean keeping Germany intact so that the Kremlin could more easily draw on the wealth of the country's industrialised west. Marshall was shocked by Stalin's demand for a nationwide plebiscite in Germany. Aware of the advanced state of Soviet political organisation in the country, Marshall knew this was the kind of contest that the US would lose, as it had in Poland, Romania and other countries where the Kremlin had administered quick elections.

When Marshall returned to Washington, he found the State Department had compiled its own views in a draft paper about the future of Europe. The report was a 'grand muddle', Steil concludes, with a hodgepodge of priorities including 'US economic aims, security needs, geopolitical ambitions and humanitarian concerns ... all heaped into the mix'. Each of these elements would find its own chief patron among Truman's staff during the grand assembly of the Marshall Plan. The requirements of the US economy were top of the list. In the wake of

the 1945 recession, caused by the drop-off in government spending, the Truman administration was gravely worried about the gross national product, which had fallen by more than 10 per cent in 1946 alone. 'The conclusion is inescapable,' Marshall read in the State Department report, 'that under the present programmes and policies, the world will not be able to continue to buy United States exports at the 1946-47 rate beyond another 12-18 months.' Likewise, on the European side, the report asserted that the United States 'will probably continue to undertake to alleviate starvation and suffering as such *where this action is consistent with US interests*'. The italics are Steil's.

The Marshall Plan, then, involved squaring Marshall's concern about the Soviet domination of Europe, especially of Germany – but also through communist parties across the Rhine – with worry about the future health of the US economy. The Truman official who grasped the economic dimension most clearly was William Clayton, the undersecretary of state for economic affairs, whom Steil has rightfully raised from obscurity. From modest beginnings as a stenographer in Tennessee, by the end of his career Clayton ran the largest cotton manufacturer in the world. He was the Marshall Plan's undercover evangelist, moving through Europe using aliases at hotels as he explained the policy to government ministers. In 1947 Clayton wrote what might be thought of as the first draft of the Marshall Plan, a memo called 'The European Crisis', which spelled out the necessity of the US sending much more aid to Europe than it already had. Clayton's worry was not the strength of the European recovery but rather the form it was taking. He believed the national planning approach of European countries, including Britain, would mean the continuation of wartime controls rather than the full conversion to free-market mechanisms. If the US wanted to make sure of a free market, and secure its stake in it without undue burdens, it would need Europe to control its own reconstruction. For instance, if a Tuscan farmer wanted a John Deere tractor, he could pay for it directly in lire. The local Marshall Aid committee would co-ordinate the purchase: the lire went to the Italian government, which could use it for reconstruction, while the Marshall Aid dollars would be paid to John Deere in Illinois. The result of thousands of such transactions was to relieve the pressure on Italy's balance of payments, which benefited its small economy far more than it benefited the vast American one. Clayton envisioned Europe's future as a single fully integrated economy – without individual countries harbouring pretensions to self-sufficient economies or unnecessary duplications of production. The entire system, as he saw it, would be powered by the Ruhr, the industrial area of Germany, which meant that Stalin's attempt to access the region's wealth would need to be fought tooth and nail.

Clayton's blind spot was American domestic opinion. By the war's end, the US public was far from anti-Soviet – it would need considerable coaching to become so. Although many American farmers and businessmen agreed with Clayton's rationale, Truman himself quickly recognised that he needed to gin up anti-communist feeling to get it through. The president suggested the plan be named after its messenger, George Marshall, the least controversial man in Washington, who announced it in a barely audible monotone at a Harvard commencement address in 1947. Finally, Truman had made a promise to bring American troops back from Europe in the first two years of his presidency, and – as Steil shows – part of the justification for the Marshall Plan was that by building prosperity and stability in Europe it would render the US military presence there unnecessary. Instead by initiating the Cold War the Marshall Plan did the opposite.

Steil's hero on the domestic front is another relatively unknown figure, Arthur Vandenberg, Republican senator for Michigan. Vandenberg understood that in order to get Congress to agree funding, and the US public to countenance troops remaining in Europe, another red scare would be needed. Vandenberg advised Truman to 'scare the hell out of the country'.

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While Washington dialled up anti-communism at home, the Kremlin dug in for the coming Cold War. According to Steil, Soviet translators first proposed that the word 'containment' in George Kennan's notorious 'Long Telegram' be translated as 'strangulation', and the Marshall Plan itself was translated by Molotov as the 'Marshall Trick'. What troubled Stalin most was that just as the Americans were trying to infuse \$13 billion worth of capital into Europe, he was attempting to extract around the same amount out of the continent. The Soviet economy was still devastated from the war, and Stalin thought he needed to strip his German possessions in particular of industrial equipment and expertise to ship back to Russia. As

State Department officials made their way around Western capitals promising funding, Soviet officials were setting up joint-stock companies and other arrangements rigged in their favour to transfer wealth back to the Soviet Union. 'We were taking from the Germans who wanted to work with us,' Molotov later recalled. 'It had to be done very carefully.' While the Americans faced resistance from German social democrats as they imposed strict privatisation policies on the party, and gerrymandered western German states so that the Christian Democrats would gain the upper hand, Stalin was facing the prospect of revolts in Eastern Europe, where his best advantage was overwhelming military force.

Truman had no intention of consulting with the Kremlin about the fate of western Germany or the handling of its industrial stock. At its most ambitious, the Marshall Plan threatened to pull Eastern Europe into Washington's orbit. The most clear-sighted representative of the geopolitical dimension of the plan was Ernest Bevin, Attlee's foreign secretary. With Clayton, he schemed to find 'the quickest way to break down the iron curtain'. Russia, Bevin told Clayton, could 'not hold its satellites against the attraction of fundamental help towards the economic revival in Europe'. Together with the French prime minister, Georges Bidault, and other Truman officials, they set a trap for Stalin: they would invite all countries in the Soviet-occupied East to join the Marshall Plan in the expectation that Stalin would insist on their withdrawal, thereby casting himself as an accomplice of deprivation in those countries. The trick was all the more remarkable for appearing to invite the possibility of an actual pay-out to the Soviets – despite the hard anti-communist line taken by Truman in his 'doctrine'.

Stalin, informed by Guy Burgess and other spies, smelled a rat. He and Molotov considered options for foiling the Marshall Plan, including having their satellites sign up to it. But the problem was that the governments in Eastern Europe were not completely reliable. In particular, the Czechs under Edvard Beneš were deemed far too keen to join the plan. This prompted the 1948 coup in Prague, where the Soviets replaced the coalition government with their stooges, sending a message to the rest of the Soviet sphere. The Americans had already factored in the loss of the Czechs, and Steil applauds the shrewdness of the sacrifice. Molotov only added to the American propaganda victory when he dramatically walked out of the Paris talks on the Marshall Plan, and denounced it in exaggerated terms that all too clearly issued from weakness. Molotov and Stalin, Harriman concluded, 'could have killed the Marshall Plan by joining it'. But the ruse had broadly worked: the Marshall Plan meant that when Germany was formally divided into two states in 1949, it was to America's advantage.

Stalin still believed he was playing a strong hand when it came to Berlin. The western sector of the city appeared easily absorbable into the surrounding sea of eastern Germany. The Soviets first banned West German banknotes in their sector, then banned passenger traffic out of fear of old Reichsmarks flooding their own eastern sector. Soon the western sectors where General Lucius Clay commanded the Allied troops were cut off. With winter approaching, Stalin expected to declare victory before too many shots were fired. The Allied response was to supply Clay with some military support and materiel from the air, while Bevin allowed sixty nuclear B-29 bombers to be based in Britain to dangle the threat of nuclear war before a still non-nuclear Soviet Union. No one in the Truman administration thought that supplying Berlin from the air was more than a stopgap. What they did not anticipate was that the newly founded US Air Force had significantly increased its technical prowess since the war. Tasked with keeping Berlin alive with food supplies, the obsessive air force commander William Tunner turned Tempelhof airport into a state-of-the-art aviation hub, with a plane landing every three minutes. After six months he was exceeding his quotas. The Soviet strategy to strangle western Berlin had simply handed another propaganda victory to the Allies. The extent to which the Berlin Airlift succeeded not only calorically but also psychologically was made clear to me recently, when I walked with an elderly Berliner down a street in Neukölln still marked from a wartime Allied bombing raid, while she praised Tunner to the skies.

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Steil's history of the Marshall Plan is a curious offering. The director of international economics at the Council on Foreign Relations in New York and an expert on financial warfare, Steil has little time for the self-congratulation of the liberal historiography that has grown up around the plan. His book makes no attempt to defend the plan against the charge that it was part of the US strategy that started the Cold War:

The Truman Doctrine *was*, even within the State Department, seen as overly bellicose in

tone, and the Marshall Plan had been aimed partly at casting it in a gentler light. There *was* indeed concern in the United States that Europe's incapacity to produce and to purchase would harm American economic interest. There *was* a determination to bury the Morgenthau Plan and to revive German industry, for the purpose, among others, of alleviating burdens on the United States. The State Department *did* want to get and keep communists out of government in Western Europe, and wanted Europe to adopt market and trade-friendly policies. It *did* lure Molotov to Paris under false pretences, knowing that Soviet 'co-operation' would doom the plan. And it *did* hope, though without great expectations, to pry loose some eastern countries from Moscow's grip. Stalin did not have to deduce all this; his spies in London and Washington informed him.

If the Marshall Plan was a bold opening gambit in the Cold War, whose benefits mostly accrued to the United States, the success of which was premised on subterfuge, what's left to honour in it? Its sense of proportion above all, according to Steil. The Marshall Plan was an example of knowing when to stop. It antagonised the Soviet Union, but in a way the US could still force the Kremlin to accept. For Steil it stands in contrast to post-Cold War US foreign policy in which 'democratisation has been conflated with security objectives, serving neither.' Steil also admires the way the Marshall Plan helped first to create the conditions of the European Union, by forcing the French to accept an industrial West German state, and then to lay the foundation for a European mentality that wasn't merely pro-American but pro-market. This wasn't an easy feat. At the war's end, enthusiasm for state-planning spread across the continent. Europeans, both eastern and western, wanted larger welfare states, controls on industry and banking and more intervention in the economy. 'Nobody in Europe,' Steil quotes A.J.P. Taylor writing in 1945, any longer 'believes in the American way of life – that is, private enterprise.' The challenge for the US, then, was not simply to find a way to get dollars to Europeans so they could buy American surplus goods, but, more fundamentally, to get them to turn away from communism – and more radical forms of social democracy – and to subscribe to a free-market system that many Europeans blamed for the Second World War in the first place.

Ultimately, Steil doesn't see the Marshall Plan horizontally as one of the interlocking foundation stones of the retrospectively named 'liberal international order', but vertically, as the antecedent to the later fruits of neoliberal reason: GATT, NAFTA, TPP. Buried behind his realism is a utopian impulse of his own: Steil is an uncloseted advocate of the Gold Standard. But knowing those days will never return, he has put his faith in the next best thing: two or three fiat global currencies – the dollar, the euro, the renminbi – that he would like the whole world to subscribe to, along with an expanded private gold banking system for true believers. His vision is of a future world governed transparently by the rules of the global market instead of popularly compromised national governments. Compared to most of his colleagues in the US foreign policy establishment, his candidness is novel. Steil appears to care less about the future of American supremacy per se than about securing the future of capitalism. Confused though Truman would have been by the current crop of liberal internationalists who decry American chauvinism but whose worldview is still premised on America as the supreme world leader, in Steil he would have recognised a plain dealer.

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