Michel Christian, Sandrine Kott, Ondřej Matějka (Eds.)
Planning in Cold War Europe

Rethinking the Cold War

Edited by Kirsten Bönker and Jane Curry

Volume 2

Planning in Cold War Europe

Competition, Cooperation, Circulations (1950s–1970s)

Edited by
Michel Christian, Sandrine Kott, Ondřej Matějka

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Michel Christian, Sandrine Kott, Ondřej Matějka

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Planning in Cold War Europe: Introduction[1]

> There exists no alternative to economic planning. There is, therefore, no case to be made for or against economic planning, for or against free enterprise or free trade. Ever more State intervention and economic planning is part of the historical trends. . . . In reality, it was never, and is certainly not now, a choice. It is a destiny.[2] (Gunnar Myrdal)

The conclusion of Gunnar Myrdal's Ludwig Mond lecture in Manchester in 1950 makes clear that the concept of economic planning was firmly impressed on the mental maps of an influential segment of the European intellectual elite in the early postwar years. The charismatic economist (a Nobel Prize laureate in 1974), sociologist, politician and international civil servant was part of a transnational milieu of publicly engaged academicians, mainly from Europe. As faithful followers of the Enlightenment ethos, they believed in (social) science as the key tool for the improvement of society. Myrdal and his wife Alva appropriated the post-World War Two infrastructure of international organizations, considering it to be an excellent springboard for bringing their reformist ambitions closer to reality. The husband and wife team became transnational symbols of this conviction and were portrayed as the "most popular Swedes, downright charged by the United Nations with the task of saving the world."[3] The principle of rational planning was a cornerstone of their thought and action.

Recent, and widely acclaimed, historical works have confirmed the extent of the influence that leaders like the Myrdals (and their ideas on planning) had on the continental and global level. Tony Judt described it in eloquent terms in his magisterial *Postwar: A History of Europe since 1945* where he labelled economic planning as the "political religion" of European elites after 1945.[4] Similarly, Marc Mazower, in his *Dark Continent* (with reference to Karl Mannheim), elaborated on the "striking fact" of the broad consensus among postwar European political elites for whom "there [was] no longer any choice between planning and lais-

1 This entire volume has been made possible by a generous grant from the the Swiss National Fund and is part of a four-year project entitled "*Shared modernities or competing modernities? Europe between West and East (1920s-1970s)*". We are also grateful for the support of the PRVOUK research funding scheme (Charles University, Prague).

2 Gunnar Myrdal, "The Trend toward Economic Planning," *The Manchester School of Economic and Social Studies* 19 (1951): 40.

3 Thomas Etzemüller, *Die Romantik der Rationalität. Alva & Gunnar Myrdal. Social Engineering in Schweden* (Bielefeld: Transcript, 2010), 43.

4 Tony Judt, *Postwar: A History of Europe Since 1945* (London: Vintage, 2010), 67.

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sez-faire, but only between good planning and bad."[5] Eric Hobsbawm in his *Age of Extremes* explored how plans and planning became "buzzwords" in European politics in the interwar period. Economic planning was embraced by "the politicians, officials and even many of the businessmen of the postwar West, who were convinced that the return of laissez-faire and the unrestricted free market was out of the question."[6] More recently, David Engerman, in his contribution to *The Cambridge History of the Second World War*, emphasized the rise of "planning euphoria" and "planning phobia," two sides of a postwar "planning boom."[7] Engerman, however, convincingly argued that both its opponents and proponents overestimated "the power of planning."[8]

These works confirm the centrality of planning thought in the postwar period. However, the widespread appeal of faith in planning must not hide the fact that there were many conceptions of planning and that the notion was and still is both ambiguous and malleable. Planning had a long history and contained many layers. Its earliest use dates to the eighteenth century and the building of cities and roads. It expanded to bureaucratic settings, and the coordination or control of individuals' actions. "Planning authorities", "planning committees" and "planning consultants" became everyday expressions at the turn of the twentieth century.[9] Their emergence reflected a range of new practices, actors and social relations, all subject to planning. Historians have now begun to analyze the many manifestations of planning, in studies of "social planning" and various forms of "scientific" social engineering. For example, historians and social scientists have examined how, starting in the mid-nineteenth century, state officials and experts, searched for instruments of social improvement in order to prevent or contain social conflict. Researchers subsequently showed that because social planning depended on knowledge about how specific societies functioned, this led to the professionalization of the production of such applicable knowledge. Within a wider process known as the "scientification of the social,"[10] social planning became the ultimate goal of the social sciences. Planning

5 Mark Mazower, *Dark Continent: Europe's Twentieth Century* (New York: Vintage, 2000), 203–204.

6 Eric Hobsbawm, *Age of Extremes: The Short Twentieth Century: 1914–1991* (London: Abacus, 1995), 96, 272.

7 David C. Engerman, "The Rise and Fall of Central Planning," in *The Cambridge History of the Second World War. Volume III: Total War: Economy, Society and Culture*, ed. Michael Geyer (Cambridge: Cambridge University Press, 2015), 575, 576, 593.

8 Engerman, "The Rise and Fall," 598.

9 See "planning" in the *Oxford English Dictionary*, www.oed.com

10 Raphael Lutz, "Embedding the Human and Social Sciences in Western Societies, 1880–1980: Reflections on Trends and Methods of Current Research," in *Engineering Society: The Role of the*

emerged as a way of dealing with changing political situations. Its intellectual aspirations have usually included a desire to "contribute to making the social world predictable in the face of modern uncertainties, or in the stronger version, to reshape it according to a master plan for improvement."[11] By the mid-1980s, critical thinkers already saw planning as an endeavor aimed at controlling and dominating individuals in society. They argued that the various forms of planning that blossomed in the twentieth century originated in a nineteenth century matrix for which urban, industrialized Europe was the experimental ground.[12] In recent years, the production of histories of social scientific knowledge (including planning) from a European or trans-European perspective has gained momentum.[13] The focus has expanded to urban planning[14] and to colonial and post-colonial fields of study.[15]

Economic planning represents a particularly important sub-field of this type of research. It was in the 1930s when "planning" began to be widely used in relation to national economic activity. By the early 1960s, the rise of economic planning thought and practice in the economic field had been identified by economists such as Myrdal and Jan Tinbergen as a secular trend, which had originated at the end of the nineteenth century and which was reinforced by specific historical circumstances like wars, crises, and revolutions.[16] Economic planning brought new technical meanings to the initial notion of planning. It

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Human and Social Sciences in Modern Societies, 1880 – 1980, ed. Kerstin Brückweh, Dirk Schumann, Richard F. Wetzell and Benjamin Ziemann (Basingstoke: Palgrave, 2012), 41 – 58. See also *Stefan Couperus, Liesbeth van de Grift, and Vincent Lagendijk*, "Experimental Spaces – Planning in High Modernity," *Journal of Modern European History* 13 (2015): special issue, no. 4.

11 Peter Wagner, "Social Science and Social Planning during the Twentieth Century," in *Cambridge History of Science, vol. 7: The Modern Social Sciences*, ed. Theodore M. Porter and Dorothy Ross (Cambridge: Cambridge University Press, 2003), 591.

12 Arturo Escobar, "Planning" in *The Development Dictionary. A Guide to Knowledge as Power*, ed. Wolfgang Sachs (London and New York: Zed Books, 2007), 132 – 145.

13 See for example Brückweh, *Engineering Society*; Christiane Reinecke and Thomas Mergel, *Das Soziale ordnen: Sozialwissenschaften und gesellschaftliche Ungleichheit im 20. Jahrhundert* (Frankfurt am Main: Campus, 2012); Kiran Klaus Patel and Sven Reichardt, "The Dark Sides of Transnationalism: Social Engineering and Nazism, 1930s–1940s," *Journal of Contemporary History*, 51 (2016): 3 – 21; Thomas Etzemüller, *Die Ordnung der Moderne: Social Engineering im 20. Jahrhundert* (Bielefeld: Transcript, 2009).

14 Stefan Couperus and Harm Kaal, "In Search of the Social: Languages of Neighborhood and Community in Urban Planning in Europe and Beyond, 1920 – 1960," special section in the *Journal of Urban History* 42 (2016): 978 – 91.

15 Valeska Huber, "Introduction: Global Histories of Social Planning," *Journal of Contemporary History* 52 (2017): 3 – 15.

16 Jan Tinbergen, *Central Planning* (New Haven: Yale University Press, 1964), 5.

introduced distinctions between "planning" as a stage in policy process, as an accounting and budgetary tool, and as a reflection on intended and unintended consequences of the management of various decisions. In the latter case, it had a feedback effect on social planning which mimicked a large range of practices elaborated by economic planning.

Since the end of the Cold War, historians have interpreted the period stretching from the 1890s to the late 1970s as a distinct era in global history, characterized by a shared belief in the benefits of planned modernity and development. Ulrich Herbert and the historians inspired by his insights into Europe in the age of "High Modernity"[17] started a debate that has continued ever since, particularly in the area of economic development.[18] Nevertheless, the rise of various historical forms of economic planning, as well as the making and circulation of planning models, has not yet been the target of systematic research. From state intervention during the World Wars One and Two, through *Gosplan*, the New Deal and Nazi *Zentralplanung*, the different models of economic planning have all been studied separately.

In our volume, we seek to do justice to the plasticity of the notion of planning. In order to historicize planning, our definition is necessarily broad. The contributions to this work highlight and explain the economic, social, and intellectual aspects of planning and approaches to planning and how these have played out across time and space. Of course, this diversity of emphasis is the outcome of the variety of geographical and chronological contexts in which ideas about planning were formulated and implemented. Throughout the twentieth century, times of crisis have been fertile moments for planning and there is a well developed historiography on planning in moments of economic crisis and global conflicts. The policy of the New Deal in the United States, implemented in the 1930s, has been well-researched as a case study of planning used to overcome a deep economic and social depression.[19] Likewise, it was an economic crisis that ended the New Economic Policy (NEP) in the Soviet Union and led to a shift to central economic planning and to the idea of "building socialism in one

17 Ulrich Herbert, "Europe in High Modernity: Reflections on a Theory of the Twentieth Century," *Journal of Modern European History* 5 (2007): 5–21.

18 Mark Frey and Sönke Kunkel, "Writing the History of Development: A Review of the Recent Literature," *Contemporary European History* 20 (2011): 215–232; Corinna R. Unger, "Histories of Development and Modernization: Findings, Reflections, Future Research," *H-Soz-Kult* 9.12.2010, http://hsozkult.geschichte.hu-berlin.de/forum/2010–12–001 (accessed 9 February 2018).

19 Kiran K. Patel, *The New Deal. A Global History* (Princeton: Princeton University Press, 2016); David Ekbladh, *The Great American Mission: Modernization and the Construction of an American World Order* (Princeton: Princeton University Press, 2010).

country."[20] The two world wars offered multiple occasions to think about planning and its implementation. During World War One and its aftermath, all the states at war took on new, unprecedented economic prerogatives, especially in industry, despite the prevailing laissez-faire ideology of this era.[21] World War Two sparked the development of large-scale "war economies" in the Soviet Union, Nazi Germany, and the United States. International-level planning between the Allies took place in a Combined Production and Resources Board and in the United Nation Relief and Rehabilitation Administration (UNRRA). UNRRA, a gigantic logistical system linked to US and British troops, functioned from 1943 to 1949 and was deployed in various places in the world from Europe to China in order to meet basic, immediate postwar economic needs for health care, food, clothing and housing.[22]

The aim of our volume is to show that the Cold War was also a time of active planning at national and international levels. So far historians have studied Cold War planning mainly as a manifestation of "technical internationalism," which was embodied in the international organizations established by the United Nations after 1945.[23] Despite the fact that several historians have pointed out the structural similarities between Marxist-inspired thought and Western theories of modernization,[24] much of the scholarship on the development of planning ideas and practices between 1945 and 1989 has concerned itself with only one side or the other of the Iron Curtain.[25]

Our collection will show that these two models and practices of planning should be studied together. While competing against each other, the two blocs shared many ideas about planning, a fact that did not go unnoticed even while the Cold War was under way, and several scholars compared the plans

20 As analyzed by Karl Polanyi as early as 1944 in *Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 2001).
21 Engerman, "The Rise and Fall," 578 on.
22 Craig N. Murphy, *The United Nations Development Programme: A Better Way?* (Cambridge: Cambridge University Press, 2006), 34–40. There are a few more recent studies on UNRRA, including Jessica Rheinisch, Ben Shephard and Rana Mitter.
23 Daniel Speich-Chassé, "Technical Internationalism and Economic Development at the Founding Moment of the UN System," in *International Organizations and Development, 1945–1990*, ed. Marc Frey, Sönke Kunkel, and Corina Unger (Basingstoke: Palgrave Macmillan, 2014), 23–45.
24 For a systematic comparison, see Gilbert Rist, *Le développement: histoire d'une croyance occidentale* (Paris: Presses de la Fondation nationale des sciences politiques, 2007), 180–186.
25 Michael J. Ellman, *Socialist Planning* (New York: Cambridge University Press, 2014).

and systems of the West[26] and the East,[27] usually focusing on UN international organizations.[28] Those works gave rise to the "theory of convergence," introduced at the beginning of the 1960s by sociologists and economists, who argued that industrial societies shared common economic and social characteristics.[29] Their interpretations underlined the fact that socialist and capitalist systems borrowed solutions to similar problems from each other,[30] so that they were "converging" toward an increasingly similar socio-economical model of developed society. As we now know, instead of a "convergence," one of the two competing systems collapsed spectacularly. "Convergence" could never eliminate the political, economic and social competition between the two blocs. However, that should not prevent scholars from examining genuine circulations or exchanges of knowledge or practices. Many of their recent studies have done this in the technical,[31] scientific,[32] cultural[33] and economic fields,[34] particularly as regards the role of specific actors.[35]

With that in mind, our book has two objectives. On the one hand, in line with the research trends outlined above, this volume will study planning as

26 Alexander Eckstein, *Comparison of Economic Systems: Theoretical and Methodological Approaches* (Berkeley: University of California Press, 1973); Morris Bornstein, *Plan and Market: Economic Reform in Eastern Europe* (New Haven: Yale University Press, 1973); Morris Bornstein, *Economic Planning, East and West* (Cambridge: Ballinger PubCo, 1975).

27 Tigran Sergeevich Khachaturov, *Methods of Long-Term Planning and Forecasting: Proceedings of a Conference Held by the International Economic Association at Moscow* (London: Macmillan, 1976).

28 U Thant, *Planning for Economic Development: report of the secretary-general transmitting the study of a group of experts* (New York: United Nations, 1963 – 1965, 3 volumes).

29 Raymond Aron, *Sociologie des sociétés industrielles. Esquisse d'une théorie des régimes politiques* (Paris: Centre de documentation universitaire, 1961); Talcott Parsons, *Structure and Process in Modern Societies* (Glencoe: Free Press, 1960).

30 John K. Galbraith, *The New Industrial State* (Boston: Houghton Mifflin, 1967); Tinbergen, *Central Planning.*

31 Sari Autio-Sarasmo and Katalin Miklóssy, *Reassessing Cold War Europe* (New York: Routledge, 2011).

32 Ludovic Tournès, *Sciences de l'homme et politique: les fondations philanthropiques américaines en France au XXe siècle* (Paris: Classiques Garnier, 2011).

33 Patrick Major and Rana Mitter, *Across the Blocs: Cold War Cultural and Social History* (London: Frank Cass, 2004); Ioana Popa, "La circulation transnationale du livre: un instrument de la guerre froide culturelle," *Histoire@Politique* 15 (2011): 25 – 41.

34 Vincent Lagendijk, *Electrifying Europe: The Power of Europe in the Construction of Electricity Networks* (Amsterdam: Aksant, 2008).

35 Martin Kohlrausch, Katrin Steffen and Stefan Wiederkehr, eds., *Expert Cultures in Central Eastern Europe. The Internationalization of Knowledge and the Transformation of Nation States since World War I.* (Osnabrück: Fibre Verlag, 2010).

an expression of a widespread belief in modernity on both sides of the East-West divide. On the other, ideas and practices of planning will be an entry point to question the very notion of the "Cold War." Such an approach is fully in tune with new studies of the Cold War, which have recently emphasized the porosity of the Iron Curtain and stressed convergence between the two blocs.[36] The contributions in this volume will bring to light the shared inspirations and circulations of models of planning in the context of the bipolar structure of Europe after 1945. The ideas and discussions surrounding planning reflected the East-West competition between two models of economic and social organization, but they also revealed specific commonalities and complementarities. This paradox, which has been largely overlooked by the historiography of the Cold War and planning alike, is at the core of this book. The volume brings together well-documented contributions based on new empirical research that approach the story of planning from a variety of angles. They deal not only with traditional areas of interest in economic and social planning, but also open the doors to lesser-known (or simply unknown) fields in the planning of scientific research and environmental management.

They also take into account various levels of planning. The national level has long been a research focus for the historiography of planning, (re)examining aspects of national histories, including the relationship between planning and politics in postwar Britain[37] and the peculiar form taken by statism in France.[38] Sev-

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36 Among a rich and growing historiography in this field, see in particular Alexander Badenoch and Andreas Fickers, *Materializing Europe Transnational Infrastructures and the Project of Europe* (Basingstoke: Palgrave Macmillan, 2010); Jeremi Suri, "Conflict and Co-operation in the Cold War: New Directions in Contemporary Historical Research," *Journal of Contemporary History* 46 (2011): 5–9; Peter Romijn, Giles Scott-Smith, and Joes Segal, eds., *Divided Dreamworlds? The Cultural Cold War in East and West* (Amsterdam: Amsterdam University Press, 2012); Autio-Sarasmo and Miklóssy, *Reassessing*; Frederico Romero and Angela Romano, eds., "European Socialist Regimes Facing Globalisation and European Co-operation: Dilemmas and Responses," *European Review of History* 21 (2014), special issue; Egle Rindzeviciute, *The Power of Systems. How Policy Sciences Opened Up the Cold War* (Cornell: Cornell University Press, 2017); Matthieu Gillabert and Tiphaine Robert, *Zuflucht suchen. Phasen des Exils aus Osteuropa im Kalten Krieg / Chercher refuge. Les phases d'exil d'Europe centrale pendant la Guerre froide* (Basel: Schwabe, 2017).

37 Glen O'Hara, *From Dreams to Disillusionment* (Palgrave Macmillan, Basingstoke, 2007); Daniel Ritschel, *The Politics of Planning: The Debate on Economic Planning in Britain in the 1930s* (Oxford: Clarendon Press, 1997); Richard Toye, *The Labour Party and the Planned Economy 1931–1951* (Rochester: Boydell, 2003).

38 Richard F. Kuisel, *Capitalism and State in Modern France: Renovation and Economic Management in the 20. Century* (Cambridge: Cambridge University Press, 1983); Philippe Mioche, *Le Plan Monnet, genèse et élaboration, 1941–1947* (Paris: Publ. de la Sorbonne, 1987); Michel Margairaz,

eral contributions in this book deal with national planning and the circulation of various planning models originating in countries such as France (Isabelle Gouarné), Finland and the Soviet Union (Sari Autio-Sarasmo), Czechoslovakia (Vítězslav Sommer), and Yugoslavia (Zaccharia Benedetto). However, other contributors examine planning at the regional (Bloc) level, including the Council of Economic Mutual Assistance (CMEA) (Simon Godard) and the Organization for Economic Co-operation and Development (OECD) (Jenny Andersson). Attention is paid to the Pan-European level (Daniel Stinsky, Katja Naumann, Sandrine Kott) and even to the global scale, as reflected in the careful analyzes of the activities of international organizations with a global reach (Francine McKenzie, Michel Christian, Ondřej Matějka).

The analysis of East-West circulations, conflicts, and competition lie at the heart of each contribution. Taken as a whole, they document three fundamental aspects of the transnational history of planning in postwar Europe: actors, spaces and temporalities.

The actors of planning

Who were the people who formulated, preached, sustained and proselytized the "religion" of planning in both the East and West? In what domains were they principally engaged? Is it possible to identify common traits in their career trajectories?

These questions are implicit in all the contributions. In several of them, we encounter some of the "usual suspects," well known from previous works on planning: experts in various fields (most often relating to economic matters) who were socialized at different stages of their lives within various international organizations, and who, in some cases, held executive positions in the secretariats of those international organizations. Daniel Stinsky (inspired by Wolfram Kaiser and Johan Schot) links these actors' trajectories to the emergence of "technocratic internationalism," mainly in UN agencies. Gunnar Myrdal is the classic example of this phenomenon.

The focus on East-West exchanges in our volume allows us to identify lesser known, yet not less important, actors in the history of planning. People whose careers were linked to the rise of cybernetics and computer science emerge as

"La faute à 68? Le Plan et les institutions de la régulation économique et financière: une libéralisation contrariée ou différée?," in *Mai 68 entre libération et libéralisation. La grande bifurcation*, ed. Michel Margairaz and Danielle Tartakowsky (Rennes, PUR, 2010), 41–62. See also the contributon of Isabelle Gouarné in this volume.

a particularly interesting group. Since the mid-1960s at least, computers and computer specialists have been key proponents of planning increasingly complex approaches in the field of the environment and elsewhere. This is shown in detail by Michael Hutter, who describes the case of the budworm pest and the corresponding research project carried out at the International Institute for Applied Studies Analysis (IIASA). It is also true of the contribution by Sandrine Kott in relation to management strategies promoted by the International Labor Organization (ILO). Due to an important East-West technological imbalance in the field of informatics, computers and computer analysts played a role in connecting the East and the West, with repercussions that extended beyond the sphere of planning. In fact, as Kott hypothesizes, one of the reasons that Eastern countries enrolled in Western-led management training programs through the ILO was that they gained access to otherwise almost unattainable computer technology. The interest was reciprocal. Western firms profited from trade openings in the Eastern bloc linked to the transfer of high-tech goods. The case of Nokia, examined here by Sari Autio-Sarasmo, offers an interesting example in this regard.

Ondřej Matějka's chapter further elucidates the importance of computer expertise and technology. He shows that anxieties about cybernetics constituted common ground for Western and Eastern Marxist philosophers and Christian theologians. In the mid-1960s, they entered into an improbable but intense dialogue in which they denounced the "dehumanizing effects" of ever more "technicized" planning and management strategies executed with computerized tools. Hence, even in the theological sphere, seemingly distant from the new technologies being applied to planning and management, computers represented an important, connective East-West issue. The challenge of such technology was one of the constitutive components of a particular Christian-Marxist "channel," which functioned without regard to the Iron Curtain.

Furthermore, attention to unexpected circulations through, across, under and beyond the political divide on the European continent draws attention to important and so far little-explored features in the profiles of transnationally active planners. First of all, several of our contributions reveal a certain marginality of those actors on the national level: Katja Naumann introduces the Polish philosopher Adam Schaff, who embarked on an international career at the Vienna Center of the International Social Sciences Council after he suffered the consequences of an anti-Semitic wave inside Polish academia. Daniel Stinsky argues that Myrdal himself opted for the United Nations Economic Commission for Europe (UNECE) after he became the "target of popular dissatisfaction" in Sweden due to his participation in the negotiation of ambitious trade deals with the Soviet Union. Isabelle Gouarné highlights the domestic political marginality of French leftists – often from Jewish or Protestant backgrounds – but who were

the key figures in establishing a channel to economic planners in Hungary and, to some extent, the Soviet Union. These French state economists (such as Étienne Hirsch, Claude Gruson, and Jean Saint-Geours) were able to reconcile their leftist preferences with the opportunities offered by De Gaulle statism.

The leftist leanings of postwar planners come as no surprise, but our East-West analyzes offer enough material to highlight the importance of "*reformisme*" and the social democratic international networks in which these ideas circulated. Both Myrdals, in the initial phase of this story, found a safe haven in Stockholm to plan the future of Europe. They were surrounded by members of the *Internationale Gruppe Demokratischer Sozialisten,* which brought together socialist emigrés from all corners of wartime Europe (including Bruno Kreisky and Willy Brandt). The solidity of these networks was confirmed after the Iron Curtain divided the continent. Benedetto Zaccaria makes an essential contribution to this largely unknown story when he persuasively describes how Western social democrats, from the 1960s on, were fascinated with the Yugoslav model of self-management. Zaccaria introduces personalities like Sicco Mansholt, a member of the Dutch Labour Party who, as the President of the European Commission, praised Yugoslav successes; the German Social Democrat leader Herbert Wehner, who pointed to the achievements made by Yugoslav self-management in the Bundestag; and the philosopher Alexander Marc, who called the attention of his French followers to the Balkan country that had succeeded, according to him, in "replacing the Soviet model of the almighty State with that of Society."

In her analysis of the transfer of management ideas and practices between West and East, Sandrine Kott confirms the existence of this stable social democratic internationalism. She underlines the continuous connections between Czech social democrats in the ILO who had been exiled to the West and those who had remained in Prague. The impact of these exchanges on the national and local level would be a rich future research project. Kott points in this direction when she refers to thousands of local *cadres* in Romania, Bulgaria, Poland, and Czechoslovakia who underwent training organized by the ILO. Western (often British) experts in management led this training. Kott identifies the existence and influence of such a "transnationally minded technocratic milieu" which played an important role not only during the Cold War but also in the years of the post-1989 transition out of communism.

The spaces of planning

The second thematic cluster addressed by this volume concerns the spatiality of planning. What were the spaces and the levels where planning was a subject for

debate and an important social practice? Which spaces produced and inspired planners from both East and West?

The domains of planning introduced by our contributors are expansive. These domains existed on the national, continental and the global level. Only within such a wide perspective can one conclude that the European continent was central to the history of planning. As Daniel Stinsky explains in his contribution, Myrdal believed that the rebuilding of postwar Europe should be based on international planning. He also contended that national economies should be coordinated across the growing East-West divide, and stressed the importance of planning issues in UNECE. Isabelle Gouarné also emphasizes Europe's centrality and importance in her study of the exchanges between French planners and their Eastern counterparts. She identifies a genuine "European pole" which developed from the lively interactions between economic experts from both sides of the Iron Curtain, and which produced a plethora of ideas and models for managing national economies. The most visible evidence of those interactions was the convergence in the socio-economic debates inside the European space in the 1960s and 1970s, which in the 1980s were overshadowed by the rapid rise of neoliberal thought connected to American hegemony. Katja Naumann makes a similar case when she analyzes the activities of the Vienna Center, where East and West European social scientists attempted to plan and to carry out large scale research projects together. Among other things, those research projects aimed to "Europeanize" comparative social research and overcome North American "data imperialism".

Not every corner of the Old Continent was equally welcoming to planners or produced the remarkably lively planning thought and practices found elsewhere. Our volume brings substantial nuance to the geography of planning initiatives inside the "European pole." In fact, several contributions in this book agree on the particular importance of the European periphery and border zones as seedbeds for the cultivation of planners, sites of lively intellectual debate on planning, spaces for implementation of planning practices, and experimental laboratories for planners coming from various backgrounds and places.

It is useful to distinguish the different scales of planning with nuanced observation and reflection. On the micro level, we can identify peripheral spaces that proved to be especially welcoming for planning debates and research. Besides the well-known internationalist center in Geneva (home to the UNECE, the United Nations Conference on Trade and Development (UNCTAD), the World Council of Churches (WCC) and the GATT), Vienna seemed to play host as a site of frequent encounters between planners. Vienna's position on the borderline between the Western and Eastern blocs made it attractive as another center for the headquarters of international organizations, including the Interna-

tional Atomic Energy Agency (IAEA) and the United Nations Industrial Development Organization (UNIDO). The city's prestige grew during the Cold War because of its hospitality to East-West joint ventures of all kinds. Chapters on the Vienna Center and the IIASA provide concrete details about this pragmatic dimension of the city's international community.

Geneva and Vienna are central spaces in our story mainly for reasons related to organization and infrastructure: they were an accessible and convenient locale for East-West encounters. Countries on the periphery of Europe played a more complex role at the meso-level of interaction. Two examples in our volume – Yugoslavia and Finland – reveal a multi-layered phenomenon. Benedetto Zaccaria unpacks the reasons and conditions for the development of a genuine Western fascination with Yugoslav self-management, which reached its apex in the mid-1970s. In fact, Western observers' attraction to Yugoslavia was only partly attributable to the inspirational theories on economic management introduced by its experts. Westerners were also enchanted by Yugoslavia's promotion of itself as a "laboratory" for evaluating in real time the pros and cons of its planning system, halfway between the highly centralized Soviet model and looser Western planning measures. Similarly, Hungarian economists (as related in Isabelle Gouarné's chapter) and Czech philosophers and theologians (in Ondřej Matějka's account) understood that presenting their countries as "testing grounds" for various contemporary theories of economic models and socio-theological hypotheses substantially improved their chances of attracting the attention of their counterparts from capitalist countries. Yugoslavia's special appeal in this regard produced concrete results in terms of advantageous business deals with the West, in particular Yugoslavia's 1970 trade agreement with the European Economic Community (EEC), which was the first to be signed between the EEC and a socialist country.

Sari Autio-Sarasmo's account of the benefits accruing to Finland from its position on the Eastern periphery of Western Europe, closely linked to the Soviet Union, further enriches our understanding of the mutual instrumentalizations related to planning. In fact, Finnish enterprises progressively learned to adjust to the functioning of the centrally planned economy next door. They played the role of privileged trade partner with the Soviet Union, in part because they were forced to do so by the postwar constellation of power in Europe. In the long run, the predictable rhythm of Soviet five-year plans, stable demand from Moscow for high-tech goods, and persistent Soviet difficulties in implementing innovative procedures domestically (as they sought to achieve self-sufficiency in communications, for instance) all proved to be water of life for Finnish companies such as Nokia. Nokia's success in the capitalist world is undeniably related to this exceptionally well-protected business environment. It existed on a sort

of lee side that allowed it to invest extensively in modernization projects and thus acquire a particularly advantageous position in the global arena.

If we mount one step higher on the scale of observation, Eastern Europe after 1945 emerges as a special regional case in terms of both economic and social planning. The socialist regimes in power there established state-planned economies and launched an in-depth transformation of their societies based on the Soviet model. However, as Simon Godard stresses in his contribution, the Eastern European model of economic planning was never monolithic. Not only did the Eastern bloc's internal diversity in this area increase as it implemented a range of economic reforms beginning in the 1950s, but its member countries failed to coordinate their national plans. Simon Godard argues that this failure to coordinate did not result from economic inefficiency but from political processes emphasizing national identities. According to this interpretation, Eastern European countries used the Council of Mutual Economic Assistance (CMEA) to shift the balance of power within the Eastern bloc.

Nor was the Eastern bloc itself a self-contained monolith, as official discourses suggested. Before Eastern and Central European countries formed a "bloc", they constituted a "European first periphery," as seen from the perspective of the Western "center" in the interwar years – as Sandrine Kott reminds us. In her contribution, she argues that this perception of a peripheral position was not completely abandoned after 1945. The Eastern part of the continent became a site for testing new management strategies exported from Anglo-Saxon countries through international organizations. Interest in opportunities for experimentation increased from the early 1960s against the background (or sometimes, the specter) of a rapidly rising Third World, which became omnipresent in every approach to planning and development. Consequently, in certain fields the European Eastern periphery was considered (at least in theory) to be a potential bridge to the underdeveloped South, be it in management, in theological dialogue or in trade agreements like those encouraged by UNCTAD.[39]

Temporalities of planning

Interest in bridging the West-East-South divides, which was widespread in the late 1960s and early 1970s, was overshadowed in the sphere of planning by a

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39 This aspect is further developed in Michel Christian, Sandrine Kott, Ondřej Matějka, "International Organizations in the Cold War: the Circulation of Experts beyond the East-West Divide," *Acta Universitatis Carolinae. Studia Territorialia* 1 (2017): 35 – 60.

more defensive type of thought aimed at preventing the demise of Western global dominance, or at least slowing it down. This is one of the key points of Jenny Andersson's contribution to our volume. Her analysis substantially enriches understanding of the chronological milestones in the history of planning between East and West, which is the third thematic cluster addressed by most of the chapters in this volume. The importance of this chronology justifies our decision to organize this volume along a time-line of the rise and fall of the influence of the "political religion" of planning in East-West relations.

The early days of planning are relatively well covered, for example in the studies of Judt or Engerman, who emphasized how the world wars accelerated intellectuals' enthusiasm for all kinds of non-conformist ideas that had been popular in the interwar years.[40] Two contributions in our volume adopt an international perspective and deal with the first dreams of large-scale planning. Besides an inescapable homage to Gunnar Myrdal and UNECE, we find it important to remember one story of a planning failure on the macro level: the rise and fall of the International Trade Organization (ITO), the most ambitious postwar project aimed at regulating global trade movements, as detailed by Francine McKenzie. Although the ITO grew out of the experiences and hopes of the interwar and war periods, it could not survive the mounting pressure of early Cold War realities and the retreat of planning thought in the United States in the late 1940s.

References to pre-1945 planning initiatives and thought are certainly not limited to the two contributions that form the first part of our book. Our volume in fact demonstrates the importance of the interwar roots of postwar developments in East-West planning. Katja Naumann insists on that point when she explains the genesis of Central European social scientists' connections to the West. Similarly, the influence of Czech actors inside the ILO and other management-oriented assistance activities stemmed from networks first forged in the 1920s, as Sandrine Kott explains in her chapter.

The "classical planners" who grew up in, and were formed directly or indirectly by the self-confident, goal-oriented ethos of European High Modernity, lived their (last) moments of glory in the 1960s, as the, correspondingly extensive Part Two of this volume illustrates. That European ethos was shaped by the conviction that people and societies could be improved through rationally planned action. After Charles de Gaulle returned to power in France, planners held key positions inside the institutional architecture of the state-run parts of the French economy (see the contribution by Gouarné), social scientists from all corners of Europe launched ambitious comparative research schemes through the Interna-

40 Judt, *Postwar*, 670n.

tional Social Science Council (Naumann), numerous Western modernizers became hypnotized by Yugoslav self-management practices (Zaccaria), the ILO financed impressive management development centers (Kott) and the founding of UNCTAD in 1964 restored the regulation of world trade atop the international agenda (Christian). The oil shock of the 1970s and the end of the Bretton Woods system in 1973 did not automatically call into question the ability of planners to master an economic crisis. As Jenny Andersson makes clear, the early 1970s was characterized by the blossoming of "worldwide" analyzes and planning proposals in the spheres of trade, finance, industrialization and development. It was only later in the decade that the planning approaches began to lose ground to neoliberal ideas.

Michel Christian's chapter on UNCTAD offers an interesting perspective on the transitional years between the planning euphoria and the planning phobia that became palpable in the 1970s and 1980s. Founded as a response to the earlier failure of the ITO after the Havana Conference in 1948, UNCTAD raised the profile of planning in relation to international trade and espoused new trade regulations more favorable to developing countries. UNCTAD's strength was based on the presumed legitimacy of state intervention and economic planning in the economic field. The intellectual framework that supported the European postwar consensus allowed a reconciliation of Keynesian economic regulation and socialist state planning. But as Christian also explains, the progressive marginalization of UNCTAD owed much to the rise of neoliberal ideology after the late 1970s and its global impact.

Several other contributions (assembled in the third part of this volume) further explain the turn away from planning in the 1970s.[41] Jenny Andersson uncovers the anxieties of influential elites, mainly in North America, who reacted to the challenge of global interdependence by trying to find tools that would preserve Western dominance of the world economy. Her analysis describes significant shifts on the conceptual level. "Planning," which was narrowly linked to the progressively outdated modernizing ethos of the postwar decades, gave way to "scenarios" and "models" that better fit the worldviews of new managers of an increasingly ungovernable global arena. Michael Hutter points in the same direction when he presents the goals formulated by IIASA experts in the 1970s. There were no more ambitious large-scale development projects. Instead, the catchword of the moment was to "control and stabilize" through "modules"

41 The 1970s are undoubtedly one of the main areas of current historiographical research, for recent developments in this field see, among many other works, Elke Seefried, "Politics and Time from the 1960s to the 1980s," *The Journal of Modern European History* 13 (2015), special issue 3.

and "packages of techniques." In that particular field, experts ceased to promote change and began to focus on stopping, or at least limiting, some of the disastrous consequences of previous large-scale "modern" projects such as the extensive use of DDT. Both Hutter and Christian justifiably link their reflections on the debates of the 1970s and 1980s to present-day discussions of climate change and the continuing problematic effects of global imbalances in trade. In that way our volume lends historical consciousness to the issues burning in our contemporary public space.

Conclusion

Dealing with planning models and their circulation in international thought and practices offers new insight into the European dimension of the Cold War. First, it calls into question the master narrative of the clash between two superpowers. The history of the Cold War in Europe, as seen from the planning angle, does not focus on the Berlin blockade, the smashing of the Prague Spring, and the Euromissiles crisis. Instead it reveals that even though the European continent was divided into two blocs, in buffer states such as Finland, Austria and, in its own way, Yugoslavia there were numerous and varied contacts above, below, beyond and through the Iron Curtain. The contributions to this volume also show that social-democratic parties and organizations have remained a stable part of political life in Europe, in sharp contrast to the United States. This social-democratic milieu was instrumental in creating bridges between West and East, especially in fields like planning. Our collective volume also underlines the deep history of contacts between the two halves of Europe (dating back to before World War Two), which stretched from trade and industry to culture and education. Because of those past ties, the Cold War could not be waged in Europe simply as a confrontation between two superpowers. Last but not least, from French *planism* to Hungarian market-based reforms of its centrally managed economy, planning thought and practices highlighted the internal diversity of the two blocs, which was in many ways the result of the circulation of planning models between East and West. Dealing with planning in this way raises substantial questions about contacts, exchanges, and circulations, which can and should be more widely taken into account in new histories of the Cold War.

Second, this transnational history of the Cold War leads to a reevaluation of the role of Eastern Europe in the conventional narrative of European history, which has all too often been reduced to the history of the Western part of the continent. The contributions in this volume show that Eastern Europe was more than an extension of the West in the interwar years or a lost or kidnapped

part of it during the Cold War. Already in the interwar years in most of these countries, political elites, both conservative and social democratic, developed state-led economic and social projects to overcome what they saw as structural underdevelopment. Many of the postwar international planners came from Eastern Europe. Communist politicians built on prewar know-how; meanwhile central planning became one of the main tools to enforce the socialist development project. Up to the 1970s, Eastern European countries thus constituted genuine laboratories for planning; in that sense they remained a source of inspiration for some planners in Western Europe. Moreover, their own history of relative underdevelopment, made these countries suitable exporters of planning expertise to newly decolonized countries, putting them in a central mediating position between West and South.[42]

Finally, the various contributions highlight the fluidity of the notion of planning. As seen at the beginning of this Introduction "planning" as an analytical category has been used in various intellectual contexts: economy, political science, sociology, history, yet always in connection with modernity. Most of the contributions in this volume use the term in relation to those various analytical dimensions. There is more to be done in producing a micro-history of planning in a pan-European context, to confront those analytical categories that we as scholars are using with the language of the above-mentioned actors on the ground. Did they know or claim that they were "planning"? How did the use of the term change and evolve over time? Which kinds of practical tools did the various actors use to "plan"? We hope that this volume will provide a useful analytical framework for future research in this direction.

42 For more on this aspect, see Christian, Kott, Matějka, "International Organizations", 53–58.

Part 1: **Planning a New World after the War**

Francine McKenzie

Peace, Prosperity and Planning Postwar Trade, 1942–1948

Most histories of the Second World War focus on key battles, strategy and leadership, the management of resources, and the workings of alliances. While these are all essential aspects of the Second World War, they leave out a crucial element: planning for peace. No one believed that the end of the Second World War would automatically restore peace. As John Winant, the US ambassador to London explained: "Planning for peace is an essential part of the job of winning the war."[1] Long before the outcome of the war could be predicted, officials from the countries that made up the Grand Alliance developed social, economic, and diplomatic plans that would address long-standing and recent challenges to improve living conditions, modernize economies, and prevent another war. While American and British officials were in the forefront of planning efforts, small countries, governments in exile, world leaders including Pope Pius, public intellectuals, and everyday citizens prepared plans to combat malnutrition, contain nationalism, and promote human rights, amongst many other problems associated with war, hardship and injustice. This was part of the "planning euphoria" of the Second World War and people explained their ideas about a future peace in blueprints and treatises, drafts and designs, some well-developed and some piecemeal.[2]

Planning also applied to efforts to reconstruct the global economy. There was widespread belief that a peaceful world must also be prosperous. Three international organizations – the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), and the International Trade Organization (ITO) – were seen as the main pillars of a postwar global economy that would be stable and growing. But if there was far-reaching support for planning a postwar global economy, there were many ideas about its nature, workings and priorities. Despite the association of planning with Soviet economic management in the 1930s, the World War Two variant of economic planning

1 Draft of a speech for Mr. Winant on Carrying out the Atlantic Charter, n.d., Cox papers, box 100, postwar –foreign, Franklin D. Roosevelt Library [FDRL].

2 David C. Engerman, "The rise and fall of central planning" in *The Cambridge History of the Second World War. Volume 3, Total War: Economy, Society and Culture*, ed. Michael Geyer and Adam Tooze (Cambridge: Cambridge University Press, 2015), 575–576. Planning for the peace shared some of the characteristics of wartime planning, including a conceptual "fuzziness", a wide range of applications, and a confidence that plans were rational solutions to problems.

https://doi.org/10.1515/9783110534696-003

was more procedural and pragmatic than ideological. There were some fundamental points associated with plans for postwar trade, but above all planning meant advance preparations, deep study, and a multilateral process. This approach conformed to Gunnar Myrdal's belief that international civil servants should be "post-ideological, rational and problem-oriented planners", as Daniel Stinsky explains in his chapter.[3] This methodological conception of planning was evident in the construction of a new global trade system. American and British officials led the way with early designs for the ITO upon which they put a liberal impress. As discussions widened to include more members of the wartime alliance, it became clear that there were numerous priorities at play. Between 1942 and 1948, the original Anglo-American draft which had focused on lowering tariffs was revised and expanded to include interventionist practices, regional economic arrangements, and the promotion of development. The result was a significantly different vision of global trade than the one that had emerged in wartime. Three insights emerge from a study of planning and negotiations of the ITO: first, the priorities associated with trade reflected diverse national goals, including development, reconstruction, modernization, and regional trade blocs; second, real efforts were made to accommodate different national economic goals and practices within the trade system[4]; third, trade priorities were fundamentally politicized, in that they were seen as the way to achieve objectives associated with authority, status, leadership, security and sovereignty.

This chapter begins by examining wartime enthusiasm for planning in general and for trade specifically. It makes the case that planning had a few substantive implications for the workings of the global trade system, in particular about the management of trade by government and the importance of international institutions to oversee and uphold an internationalist conception of trade. The chapter then discusses plans and negotiations, starting in 1942 with British and American designs and meetings, and ending in 1948 at the Havana conference at which 56 countries participated. Despite drastic revisions to the ITO char-

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3 Daniel Stinsky, "Western European or All-European Cooperation? The OEEC, the European Recovery Program, and the United Nations Economic Commission for Europe (ECE), 1947–1961," in *Warden of the West? The OECD and the Global Political Economy, 1948 to Present*, ed. Mathieu Leimgruber and Matthias Schmelzer. Transnational History Series (New York: Palgrave Macmillan, forthcoming).

4 This is similar to the conclusion reached by Eric Helleiner. As he explained, "efforts to reconcile liberal multilateralism with the state-led developmental goals of poorer countries were in fact at the centre of the politics that created the postwar international financial order." Eric Helleiner, *Forgotten Foundations of Bretton Woods: International Development and the Making of the Postwar Order* (Ithaca: Cornell University Press, 2014), 3.

ter, participating nations were by and large satisfied with the result, confirming the belief that there were many routes to a liberal global trade order.

The planning Zeitgeist in the Second World War: Managed trade and international organizations

Making peace was a daunting challenge. But in wartime, it seemed urgent and unavoidable. Planning seemed to be the only way to come to grips with such a complex undertaking. Moreover, officials believed that planning could effect change which was clearly needed in the global community.[5] The Beveridge and Morgenthau Plans were two of the best known examples of wartime planning and they conveyed the ambition, urgency, and necessity of planning to ensure that large scale challenges could be addressed to achieve justice, progress, and security. There were critics of planning. Some people claimed that planning was a panacea, assumed to have transformative powers based on misunderstanding the issues at hand. Others feared it encroached on freedoms or was elitist and undemocratic.[6] But the critics' voices were drowned out by the advocates of planning which included people who could not be dismissed as delusional utopians, as so many advocates of peace had been in the past.[7] For instance, US President Roosevelt endorsed planning: he foretold a future of destruction following the war "unless we plan now for the better world we mean to build." Richard Law, the minister of state in the British Foreign Office, conveyed the sense of obligation to servicemen to ensure a better future that informed planning efforts: "He felt that these young men and the sacrifices they were called upon to make on the battlefields were a challenge to all who were respon-

5 G.L. Schwartz, 'Why Planning?' (London: A Signpost Special, 1944), 3. World War II Subject Collection, Box 26, Hoover Institution.

6 G.L. Schwartz.

7 See for example Carr's dismissal of the views of Norman Angell who believed that economic interdependence would strengthen global peace. Although Angell was awarded the Nobel Peace Prize in 1933, he was dismissed by Carr as a utopian whose ideas were aspirational and unrealistic. Interestingly, Carr did endorse state planning of the economy as well as plans for postwar Europe. Norman Angell, *The Great Illusion: a study of the relation of military power to national advantage* (London: Heinemann, 1912), vii, ix, 30 – 1. Jeremy Weiss, "E. H. Carr, Norman Angell, and Reassessing the Realist-Utopian Debate", *The International History Review* 35, no. 5 (2013): 1160 – 1161.

sible for planning the future."[8] Although there was persistent scepticism about whether or not future wars could be prevented,[9] planning imbued the quest for peace with legitimacy because plans were seen as realistic rather than quixotic, informed by diplomatic and technical expertize rather than romantic dreams, and were the product of careful deliberation and the benefit of past experience.

The circumstances of war legitimized the necessity of planning at the international level. In the interwar years, planning was developed in relation to national economic strategies. As Joanne Pemberton has explained in the cases of Britain and Australia, some people called for its international application, lest the development of national plans spark conflict amongst states. But in general the idea of international planning between the wars was not favored because it constrained a state's ability to implement economic policies. She argues that by the end of the 1930s planning had become parochial, associated with national and imperial spaces.[10] But during the war, unchecked state power was identified as one of the principal causes of the conflict and people were prepared to accept international plans which restricted the authority of states. As Law said during Anglo-American discussions of postwar trade in 1943, "[p]eople were capable, at this moment, of sacrificing immediate advantage for the long-term gain, but when the moment of danger was removed they would be in a different mood."[11] Ernest Bevin, Britain's minister of labour, agreed that in wartime people accepted "control, regulation and discipline" because it was necessary to survive. This was now also seen as essential to security in peacetime. Hence Bevin urged statesmen to "stand together resolutely and hold on to some form of controls while the foundations of peace, stability and orderly development are being worked out."[12] The circumstances of war created the opportunity to think differently about the peace, placing collective well-being above national interests and accepting that international regulation required some constraints on

8 Informal Economic Discussions, Plenary, 1rst meeting, 20 Sept. 1943, CAB78/14, The National Archives (TNA).

9 "Post-war Planning Must Show that Men Can Prevent Wars If They Take the Necessary Steps." Presenting Postwar Planning to the Public, Confidential Report from the Office of Public Opinion Research, Princeton University, Winant Papers, FDRL. Note that 58 % of those asked said there would be future wars.

10 Joanne Pemberton, "The Middle Way: The Discourse of Planning in Britain, Australia and at the League of Nations in the Interwar Years," *Australian Journal of Politics and History* 52, no. 1 (2006): 49, 51, 58.

11 Informal Economic Discussions, Plenary, 20 Sept. 1943.

12 Bevin's Address, International Labour Office, Emergency Committee of the Governing Body, Draft Minutes of the Fifth Session, 20 – 24 April 1942, CAB117/100, TNA.

national sovereignty. But the emphasis on international planning and coordination never meant that national interests were secondary. A liberal trade order was linked to national priorities of recovery and full employment, about which there was apprehension as states transitioned from a wartime to a peacetime economy.

A reconstructed economy that promoted stable growth, sustained full employment, and distributed benefits across classes and countries was a priority in government planning efforts. The importance of economic growth to future peace was influenced by the experience of the Great Depression, which in countries like the US, Britain and Canada centred on the problem of mass unemployment, and the Second World War, two catastrophes which many believed were causally linked. Although laissez-faire liberalism had been discredited in the 1930s, a liberal spirit informed the postwar trade system based on the internationalist logic that interdependence and prosperity were essential to peace.[13] Furthermore, cooperative trade relations between states, even if still competitive, were seen as essential to preserving peace. As Harry Hawkins, one of the leading economic planners in the US State Department, put it in 1944: "Nations which are economic enemies are not likely to remain political friends for long."[14]

In wartime and postwar discussions, many used the term free trade or freer trade to describe the liberal trade system, but what they were talking about was a system of managed freer trade. The planned trade approach was not restricted to those involved with the ITO. As Daniel Stinky has shown, Gunnar Myrdal was also a "free-trading planner."[15] Although officials wanted states to remain the central actors in the postwar international order,[16] they envisaged a liberal trade regime that depended on state support while also restraining state authority.[17] The creation of an international organization would establish a forum and define rules and obligations that would facilitate international cooperation and limit the nationalistic options of its members. Rules and obligations left room for flexibility about specific trade practices, in contrast to the exacting details and

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13 Katherine Barbieri and Gerald Schneider, "Globalization and Peace: Assessing New Directions in the Study of Trade & Conflict," *Journal of Peace Research* 36, no. 4 (1999): 389.

14 Quoted in John H. Jackson, *World Trade and The Law of GATT* (Indianapolis: Bobbs-Merrill, 1969), 38.

15 Stinsky, "A Bridge between East and West".

16 Letter to Cadogan, 31 May 1942, FO371/31538, TNA. The author not only wanted nations to be the basic unit of international society but he wanted Britain to remain the 'Top Nation.'

17 G. John Ikenberry makes a similar point about the essential compromise that defined Bretton Woods such that it appealed to people with diametrically opposed ideas, from laissez faire to planners. "A World Economy Restored: Expert Consensus and the Anglo-American Post-War Settlement," *International Organization* 46, no. 1 (Winter 1992): 307–308, 315–316, 318.

state imposed targets that defined some socialist planning models. Nonetheless, there was tension about the role of the state, at once constrained by rules and obligations and enhanced by actively managing national and international trade. Tony Judt has explained that "faith in the state" defined the planning ethos of the interwar years.[18] But during the war, mistrust of nationalism offset that faith. Postwar trade plans reflected this tension, simultaneously depending on and curbing state sovereignty and market forces.

Planning a liberal trade order in wartime

In the United States, a poll from January 1943 found that 65% of Americans believed planning should begin right away.[19] In fact, by 1943 American plans for postwar trade were well underway. The State Department was at the centre of American trade policy because of the influence of Cordell Hull, the Secretary of State from 1933–1944. During the First World War, Hull had come to the conclusion that global peace depended on freer trade. He was not alone in this belief. The corollary – that economic conditions could be a cause of conflict – reinforced the appeal of liberalization. The US had defined a liberal trade policy in the 1930s as a way to combat the Depression and defuse geopolitical antagonism. The principles that had informed the Reciprocal Trade Agreements Act of 1934 (RTAA) were internationalism, reciprocity, the Most Favoured Nation (MFN) principle, and liberalization through lower tariffs. The start of the war did not dent the confidence of Hull or the State Department that liberalization and internationalism were the key ingredients of a successful postwar trade order that would engender peace and prosperity. As a result, the principles of the RTAA continued to guide American planners during and after the war.[20] The apparent tension between the traditional role of the market as the main arbiter of global trade and government action that kept markets open and upheld liberal trade practices was easily reconciled.

18 Tony Judt, *Postwar: A History of Europe Since 1945* (New York: Penguin Books, 2010), 69.
19 "Presenting Postwar Planning to the Public," Confidential Report from the Office of Public Opinion Research, Princeton University, Winant Papers, Box 217, Reconstruction: Presenting Post-war Planning to the People, FDRL.
20 Irwin, Mavroidis and Sykes have concluded from this that the GATT "represented a continuation and expansion of U.S. efforts during the 1930s." Douglas A. Irwin, Petros C. Mavroidis, Alan O. Sykes, *The Genesis of the GATT* (Cambridge: Cambridge University Press, 2008), 12. I think this view overstates American authorship.

American officials assumed that other governments would resist a liberal international trade order. To pin down support for trade liberalization, the US attached a consideration to the Lend-Lease agreement of 1941 by which they loaned or leased vital war materials to Britain, the Soviet Union and other countries fighting the Axis powers. The consideration called for support for an open economy after the war. At this stage, American efforts focused on securing promises to support liberal trade after the war. They did not lay out concrete ideas in a blueprint or a detailed plan.

Instead, the first trade plan was developed in Britain by James Meade, a future Nobel Laureate but then a young economist in the Economic Section of the War Cabinet Offices. In 1940, he had returned from the Economic and Financial Organization (EFO) of the League of Nations where his internationalist perspective had been reinforced. The EFO brought together economists from all over the world who were intent on restoring "stability and growth" to the world economy and who believed that international organizations facilitated cooperation as well as curbed the narrow self-interest and inconsistent policies of national governments.[21] Meade endorsed liberal trade not only because it was consistent with his intellectual leanings, but also because he believed that economic practices and conditions were root causes of geopolitical conflicts. As he wrote in his 1940 book *The Economic Basis on a Durable Peace:* "to a certain extent, the causes of international conflict are economic in character".[22]

In 1942, he drafted a blueprint for a reconstructed global trade organization. His plan – called the International Commercial Union – put his international and liberal ideas front and centre. Meade believed that the best trade system for Britain was one in which freer trade prevailed. This would give Britain access to as many markets as possible which was in turn the key to maintaining high levels of employment for people working in all forms of export producing industries. He acknowledged that Britain would face many challenges after the war – including lost markets and a shortage of convertible currency – but he believed that in the long run freer trade was the best policy for Britain: "If ever there was a community which had an interest in the general removal of restrictions to trade, it is the United Kingdom." Hence his plan banned quantitative restrictions and excessive export subsidies, removed restrictions on currency exchange and eliminated preferential prices. To work, his plan required regulation of the global liberal trade system; he did not leave all to the free hand of the market.

21 Patricia Clavin, *Securing the World Economy: the Reinvention of the League of Nations, 1920 – 1946* (Oxford: Oxford University Press, 2013), 5, 6.

22 Irwin, Mavroidis and Sykes, *Genesis*, 25. Also see 25 – 30 for their description of Meade's draft.

Meade's plan also made some allowance for historical and political factors that influenced trade policies and patterns. For example, where a special and recognizable geopolitical or political relationship existed, nations could exchange moderate preferential tariffs; he set the rate at 10 % *ad valorem*. This had particular relevance to Britain as there was significant support for retaining the preferential tariff system of the British Empire and Commonwealth.[23]

Meade's plan was criticized by leading Treasury officials who feared that freer trade would exacerbate Britain's balance of payments problems after the war.[24] John Maynard Keynes, whose ideas about Britain's postwar economy were based on dire forecasts and the need for mechanisms to stave off external forces that could destabilize the British economy, was outspoken in his opposition to Meade's plan. Meade described Keynes' views on postwar trade as more extreme than those of Schacht.[25] Keynes was not the only critic of Meade's plan. Others called for bilateral trade agreements and increased trade within the sterling area. British policymakers looked to the past – the Depression – and the future – unknown but ominous even if Britain emerged victorious in the war – and decided to support Meade's liberalizing plan, with a few safeguards, such as the use of quantitative restrictions to offset balance of payments problems. Meade's plan for postwar trade combined long-standing ideas about British trade, in particular freer trade, along with more recent shifts in favour of intervention and protection. Joanne Pemberton has suggested this represented an organic evolution of British trade policy, rather than an abrupt departure, and that it was also a hybrid policy "between unregulated laissez faire and dictatorship."[26]

When British and American trade experts met in secret in Washington in 1943, they were pleasantly surprised to learn that their ideas were largely compatible, emphasizing liberalization and multilateralism. There was disagreement. They understood the workings of international trade differently. The British stressed high rates of employment as a precondition to the growth of world trade whereas the Americans believed that higher employment would follow the removal of barriers to trade. Some disagreements became heated, such as over the fate of imperial preferences. Although imperial preference was a constant source of conflict between the US and Britain,[27] it should not obscure the extent

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23 Francine McKenzie, *Redefining the Bonds of Commonwealth, 1939–1948: The Politics of Preference* (Basingstoke: Palgrave Macmillan 2002), 40.

24 Irwin, Mavroidis and Sykes, *Genesis*, 30–37.

25 Author interview with Meade, 24 May 1993.

26 Pemberton, "The Middle Way": 59.

27 For an in-depth account, see McKenzie, *Redefining the Bonds of Commonwealth*, 102–106, 134–137, 138–155, 199–220.

to which their respective approaches to the postwar trade order aligned. In fact, British officials had decided before the meeting that if there was substantial agreement they would share Meade's plans with the Americans. Meade's plan was distributed. Harry Hawkins described the "remarkable progress" that had been made and observed that differences were on questions of means, not on substantive policies.[28]

Anglo-American discussions about trade had been held in secret, but their ideas were widely known because British officials met with representatives of the Commonwealth (Canada, Australia, New Zealand, and South Africa) and India to discuss postwar trade in advance of Anglo-American meetings in 1943 and 1944. James Meade recalled that the purpose of these meetings was to remove those aspects that were most obnoxious to members of the Commonwealth. He did not remember any significant change arising from them. In his words, the postwar trade plan remained an Anglo-American product.[29] Nonetheless, Dominion officials did not hold back their criticisms of the British trade plan. While Canada found itself broadly in agreement with British and American ideas, reflecting the importance of these two markets to Canadian exports, Australia's representative – Nugget Coombs – objected to the emphasis on tariff reduction. He insisted that conditions of full employment, income and rising standards of living were essential to an expanding economy and these "positive measures" were needed in addition to "negative measures", meaning lowering tariffs, to create demand which would stimulate growth in global trade.[30] Coombs repeated his argument in favor of a positive approach in 1944, making clear that there had to be multiple paths leading to a liberal trade order if all states were to benefit. That meant developing countries should be able to use protective tariffs and other discriminatory or restrictive practices to encourage industrial development and diversification. Officials from New Zealand and South Africa backed up this approach because industrial development and diversification were high priorities in their national postwar economic plans. While Australia, New Zealand and South Africa do not always leap to mind when thinking about developing countries of the 1940s, their dependence on one market (Britain) as well as a handful of primary commodities as exports were characteristics of developing economies. By arguing for positive measures and the use of protective practices to promote industrial development, they made development a

28 Thomas W. Zeiler, *Free Trade Free World* (Chapel Hill: University of North Carolina Press, 1999), 36.

29 Author interview with Meade.

30 Post-War Commercial Policy Discussions, UK, India and the Dominions, 1rst meeting, 15 June 1943, T230/129, TNA.

priority of the postwar trade order and revealed their understanding that trade could help or hinder this aim.[31]

European governments in exile were also aware that postwar planning had begun, although according to Meade they were not consulted.[32] But exclusion did not mean that officials from the governments in exile were inactive. For example, Belgium established a Commission d' Etude des Problèmes d'Après-Guerre (CEPAG) to consider postwar issues and put Paul van Zeeland, former prime minister, in charge. CEPAG argued that smaller European nations should be involved in postwar planning, in the hope they could "avoid the postwar agenda being dictated by the Americans and the British."[33] Thierry Grosbois has also pointed out the politico-diplomatic reasons behind the creation of the Benelux customs union in 1944: to bolster their standing so that the great powers would take their point of view into consideration.[34]

CEPAG produced several reports during the war, the first of which acknowledged the economic causes of war and peace and advised against a return to the "lawless competition" that had existed before the war. Its recommendations emphasized the need for regional economic arrangements for Europe.[35] CEPAG's fifth report from 1943 made a forceful case for regional solutions to international problems.[36] This idea played out in other European groups. For example, in a 1944 discussion sponsored by the Association France-Grande Bretagne-États-Unis on the organization of peace, one of the lead speakers – Bordaz – identified the need for a trade plan for Western Europe.[37] Bordaz subsequently noted that the challenge was to find functional groups – he thought France, Belgium, the Netherlands was one workable option – which would allow them to "overcome selfish nationalism", all in the service of universal peace.[38]

31 The inclusion of development in these discussions reinforces Eric Helleiner's argument about the centrality of development in the establishment of the IMF and World Bank. See Eric Helleiner, *Forgotten Foundations of Bretton Woods*, 3.

32 Author interview with Meade.

33 Jean F. Crombois, *Camille Gutt and Postwar International Finance* (London: Pickering & Chatto, 2011), 63–65.

34 Thierry Grosbois, "La Belgique et le Benelux: de l'universalisme au régionalisme, " in *La Belgique, les petits États et la construction européenne*, ed. Michel Dumoulin, Geneviève Duchenne, and Arthe Van Laer (Bern: Peter Lang, 2004), 60.

35 CEPAG First Report, July 1941 in *Documents on the History of European Integration*, vol. 4, ed. W. Lipgens (Berlin, New York: De Gruyter, 1985), 420–421.

36 CEPAG Fifth Report, Aug 1943, in Lipgens, *Documents*, 441–443.

37 "Pierre Cot and … Bordaz: Post-war International Organization," 25 Feb. 1944, in Lipgens, *Documents*, 314.

38 "Bordaz: Postwar Economic Organization," 28 April 1944, in Lipgens, *Documents*, 326–327.

The reports of CEPAG, as well as the ideas and plans articulated by Europeans in exile and members of the resistance, cohered around the need for a regional economic arrangement after the war. Europe was a distinct space that had to confront particular challenges, or what Jean Monnet called "the European problem."[39] A regional economic bloc also seemed the best way to confront the challenge of postwar reconstruction. As Lucia Coppolaro has explained, European officials conceived of trade liberalization along regional lines in order to bring about recovery from the war. "The liberalization of Western European trade started on a regional basis" that "bypass[ed] Bretton woods multilateralism."[40] But a regional arrangement did not necessarily clash with the universalism of postwar organizations. Grosbois agreed that the creation of the Benelux customs union had a universalist spirit; it was a regional arrangement meant to support and benefit from the global liberal trade order.[41] Along similar lines, Diane de Bellefroide contends that the representatives on CEPAG imagined "a three tiered international society", with the regional level of primary relevance after the war, but comfortably sitting between the national and world levels.[42] However, regional arrangements for postwar Europe ended up being pushed aside in the plans of Britain and the United States. Early in the war, British and American groups working on the postwar order had considered regional organization as building blocks of a global system, but that approach was supplanted by American proposals in favour of a global order carved into spheres led by regional hegemons: the United States, Britain, China and the Soviet Union.[43]

International trade meetings after the war

The next stage of planning postwar trade involved wider consultation with the goal of eliciting broad support for the ITO. The representatives of 17 countries[44] gathered at Church House in London in the autumn of 1946. Committees were

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39 Jean Monnet, "Imagining Peace" in Lipgens, *Documents*, 303.

40 Lucia Coppolaro, *The Making of a World Trading Power: The European Economic Community (EEC) in the GATT Kennedy Round Negotiations (1963 – 67)* (Farnham: Ashgate, 2013), 17.

41 Grosbois, " La Belgique et le Benelux, " 91

42 Diane de Bellefroide, "The Commission pour l'Etude des Problèmes d'Après-Guerre (CEPAG), 1941 – 1944," in *Europe in Exile: European Exile Communities in Britain, 1940 – 45*, ed. Martin Conway and José Gotovitch (New York and Oxford: Berghan Books, 2001), 130.

43 Lipgens, *Documents*, 5 – 18.

44 Australia, Belgium, Brazil, Britain, Canada, Chile, China, Cuba, Czechoslovakia, France, India, New Zealand, South Africa, the Netherlands, Norway, Poland and the United States.