

Marshall plan – end of 1949.

Marshall Plan

What is it?

- Presented at the Harvard University June 5 1947 by Secretary of State George Marshall.
- Aims of the Marshall Plan:
 - Increasing production
 - Expanding European foreign trade
 - Facilitating European economic cooperation and integration
 - Controlling inflation.
- It cost the American tax payers 11 820 700 000 USD or 2,5 – 5 % of the national income.
 - The main argument for getting the Americans to take a deep dig in their purses was that with the aid it would help to stabilize the European currencies and that made it interesting for American investors to start businesses in Europe.
- Lessons from Versailles Peace Treaty motivated the politicians:
 - In economically bad times the non-democratic political movements got stronger support.
 - By helping the new democracies with financial aid they help to hold back the Communist Parties in Europe.
- See chart on the distribution the Marshall Aid.

What was the background?

- The concern for Greece Marshall said “It is not alarmist, to say that we are faced with the first crisis of a series which might extend Soviet domination to Europe, the Middle East and Asia.”
- The option to put military power in support of containment and trying to stop the Soviet expansion was very limited.
- At the Moscow Foreign ministers meeting in March 47 little or no agreements could be made.
- The Tune was set in the Truman Doctrine, with the situation in Greece, Turkey but also Germany calling for some kind of action.

The actual speech in Harvard, important quotes:

- “The truth of the matter is that Europe’s requirements for the next three or four years of foreign food and other essential products--principally from America--are so much greater than her present ability to pay that she must have substantial additional help, or face economic, social and political deterioration of a very grave character.”
- “It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace. Our policy is directed not against any country or doctrine but against hunger, poverty, desperation and chaos.”
- “Any government that is willing to assist in the task of recovery will find full cooperation, I am sure, on the part of the United States Government. Any government which maneuvers to block the recovery of other countries cannot expect help from us.

Furthermore, governments, political parties or groups which seek to perpetuate human misery in order to profit therefrom politically or otherwise will encounter the opposition of the United States.”

- “It would be neither fitting nor efficacious for this Government to undertake to draw up unilaterally a program designed to place Europe on its feet economically. This is the business of the Europeans. The initiative, I think, must come from Europe. The role of this country should consist of friendly aid in the drafting of a European program and of later support of such a program so far as it may be practical for us to do so. The program should be a joint one, agreed to by a number, if not all European nations.”
- The analogy of a sick patient was later used to describe Marshall’s speech, any cartoons etc referring to this is to be put in this context. What he actually said was “Any assistance that this Government may render in the future should provide a cure rather than a mere palliative.”

Results of the Speech:

- Bevin, foreign minister in the UK and Bidault, foreign minister of France set up a meeting, inviting Molotov in June in Paris.
- The big issue was; Is USSR going to accept the aid, and if they do what will the American response be.
- Kennan advised Marshall that the Soviets would refuse aid, but nobody really knew.
- Molotov tried to sabotage the meeting and when that didn’t work he walk out on the meeting calling the Marshall Plan an American imperialistic idea and refused to take any part of it.
- Poland, Czechoslovakia and Hungary announced that they wanted to participate in the congress and that they wanted to take part of the aid program.
- Moscow interfered and Poland and Hungary took back their interest.
- 16 countries participated in the congress in Paris July 12 1947.
- No eastern European countries were allowed to participate. WHY IS THAT?
- An organization OEEC (Organization for European Economic Co-operation) was set up with an office in Paris to administrate the Marshall Aid, formally in april 1948.

One problem remained, THE CONGRESS, if they didn’t grant the aid there would be nothing.

- In February the communist grabbed power in Prague and that helped to convince the congress that actions were needed to stop Stalin and communism.
- The aid had one important effect, it helped the currencies to be stable and made trading possible. It didn’t help unemployment in France or Italy.
- The Countries accepting the aid had to sign the GATT (General Agreement on Tariffs and Trade), taking away customs for American products.

The X-article:

- You have a part of the article in your collection of documents.
- The use of the Word “Containment”.
- This is Kennan, again, putting words on a general opinion.

So to sum up the important documents:

1. The Long Telegram by Kennan: The Russians are anti-american and they will try to expand their sphere of interest as much as possible, the only way to stop them is to get tough on them.
2. The Fulton Speech: Iron Curtain, democracy is being killed off by the Russians.
3. The Truman Doctrine: Support of free democratic countries, if we let one fall, all will fall. The undemocratic minority must be stopped to the benefit of the democratic majority. Not really mentioning the Russians.
4. The Marshall Plan: Economic aid to all countries in Europe...
5. The X-article: Kennan again, warning about the Russians, this time giving more ideas on what to do to stop the soviet expansion.

Actual Political events that you can read about:

- Cominform
- The Prague Coup
- The Berlin Blockade: A try to stop western cooperation?
- The Brussels Pact leading to the Atlantic Treaty.

Next time we will focus on Germany and the division of it.

Questions to discuss:

1. Why didn't Stalin want to accept economic aid from the US?
2. Do you agree with the statement that the 5 documents I presented above explain the start of the Cold war?
3. Why didn't Stalin react until the Marshall Plan was presented?
4. Why did Stalin back on former agreements in concern of both Czechoslovakia and Berlin?
5. Did the US or the USSR start the Cold War?
6. Can we find any explanation to the fact that it remained a COLD war in the documents presented above?