The Marshall Plan

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After World War II, Europe was on the brink of collapse. Factories were in ruins and farmlands looked as if they were post-apocalyptic. Survivors were malnourished, cold, and many citizens were losing faith in their governments. This made communism, which promised economic stability, peace, and equality, appealing. Even before the war, communist parties had gained strength throughout the continent due to the global depression a decade earlier. However, an expanded communist presence in Europe was a threat to the interests of the United States in the region, and the Truman administration knew they had to develop a plan to stop the spread of communism. The Marshall plan was crucial in saving western Europe from economic collapse and the spread of communism by requiring the participating nations to compromise and develop a recovery plan as one working organization in order to receive aid from the United States to rebuild their nations.

World War II had ended but suffering continued throughout western Europe and life was incredibly difficult for most people. World War II had been the most destructive war in history, and its’ destruction spread well beyond traditional battlefields (Prentzas 9). Allied and axis bombings destroyed European cities and towns, demolished factories, bridges, roads, railroads, and farmlands (Prentzas 9). Thirteen million citizens were without a home, 20 million people were starving, and jobs and food were scarce (Prentzas 10). Europe began to recover slowly, rebuilding factories and businesses and planting new crops, but progress was slow (Prentzas 10). The limited amount of workable farmland and the few working factories that remained could not meet the demand (Prentzas 10-11). Everyday items were in short supply, food shortages were common, and many people went hungry (Prentzas 11). Following the war in 1946, Europe experienced a brutally cold winter, followed by massive flooding in the Spring of 1947, and then
one of the hottest, driest, summers on record that same year which produced crop shortages and slowed factory repairs (Prentzas 12). The scarcity of products from factories and farmers led to steep price increases that most people could not afford (Prentzas 11). Because they could not meet demand, European manufacturers and governments purchased raw materials from the United States, leading to an enormous dollar gap, as payments from European countries to the United States far exceeded payments from the United States to Europe (Prentzas 13). Even after the war, western European countries continued to suffer, and normal aid, while helpful, could not restore these countries to their pre-war levels of farming and production.

Communism was considered the alternative to capitalism and was appealing to many people who were still suffering even after the war was over. Before World War II, communism, which promised economic stability, equality, and peace, was becoming more popular in western European countries (Prentzas 13). Widespread unemployment and misery during the Great Depression had brought about dissatisfaction with capitalism, and many Europeans had lost faith in their governments (Prentzas 13). Communist and socialist parties gained momentum, capturing 40 percent of the vote in the 1946 elections in Italy and Czechoslovakia, while the French Communist party roster had almost one million members (Prentzas 13). Following World War II, the Soviet Union occupied and controlled a great amount of eastern Europe, including the Northeast sector of Germany, known as East Germany (Lazo 70). In the countries under Soviet control, Joseph Stalin, the Soviet leader, set up communist governments, replacing all leaders with his followers and eliminating all free elections (Lazo 71). Stalin attempted to expand his influence in Europe over Turkey and Greece in 1947, because both countries were experiencing economic instability and were vulnerable to a communist takeover (The George C.
Marshall Foundation). The preservation of democratic governments in Europe was crucial to the security and economic interests of the United States, so it was understandable that the Soviet presence in Germany and eastern Europe was troubling to U.S. officials (Prentzas 14). President Truman liked Joseph Stalin at first, but as Truman and Congressional leaders realized Stalin’s plan to conquer Europe and take away the freedoms the allies had fought for in the war, the men and their nations quickly became enemies (Lazo 71). President Truman’s goal was to rebuild Europe, and he persuaded congress to approve a $400 million aid package, known as the Truman Doctrine, to stabilize Turkey and Greece before they became communist satellites of the Soviet Union (The George C. Marshall Foundation). Despite having a common goal with the allies during World War II, the Soviet Union hoped to expand communist-style governments in Europe, and this became a motivating factor in assisting western European countries to protect their democracies and economies ravaged by the war.

The Truman administration knew that Europe needed help to regain their strength to ward off communism, but they would have to convince the American public first. In his remarks after receiving an honorary degree from Harvard University in the Spring of 1947, Secretary of State George Marshall outlined a new approach to help European nations, both Allied and Axis, to get back on their feet (Streissguth 162-165). In his commencement speech, Marshall, who led U.S. forces in World War II as Army Chief of Staff, called for the United States to assist Europe in the form of financial aid (Streissguth 162-165). Marshall gave no specific details in the speech but suggested that the European nations would need to set up their own program for reconstruction and recovery (Streissguth 162-165). Marshall’s speech was mostly ignored by the American media, but it had an immediate impact on government leaders in Europe (Prentzas
The representatives from Great Britain and France were the first to realize the importance of Marshall’s speech, and they drafted a coordinated response to the American proposal (Prentzas 20). Marshall’s proposed aid package, which became known as the Marshall Plan, received positive and mixed reviews from European officials, but they realized that the United States was the only country with enough resources to provide the large amount of assistance western Europe needed to recover (Prentzas 21). The Truman administration faced challenges back at home because many Americans felt their government should spend money and resources at home, not internationally (Prentzas 24). After traveling to Europe and seeing the damage for themselves, many United States Congressional representatives realized the importance of The Marshall Plan but worried about the reaction of their constituents (Prentzas 34-35). Americans were sympathetic to Europeans but were tired of the sacrifices they made for the war effort and, with the Great Depression still fresh in their minds, the thought of taking on such a large aid project for a European recovery was not a popular idea (Prentzas 24). Secretary of State Marshall’s speech was the glimmer of hope for western European countries that were facing new threats as they worked to rebuild their nations, however, there was skepticism among the American public.

While European representatives worked to construct a recovery plan in order to receive aid from the United States, the Soviet Union and communist parties throughout western Europe worked to hinder their progress. Nearly all European nations, except the Soviet Union and its eastern European allies, joined together to seek aid from the United States under the Marshall Plan (Prentzas 27). The Committee of European Economic Cooperation (CEEC) came up with a plan of cooperation and presented it to the United States in September 1947 (Prentzas 31). The
nations participating in the plan made compromises in the way they conducted business, including reductions in trade barriers between countries, and agreements on production levels for goods such as steel and coal (qtd. in Prentzas 29). The Soviets claimed the United States was using the economic aid to enslave Europe, and in response, they created the Communist Information Bureau, known as Cominform (Prentzas 37). The purpose of Cominform was to allow the Soviets to exert more control over the national communist parties throughout Europe, including those in western European nations (Prentzas 37). One of the first acts of Cominform was to disrupt the French and Italian governments by organizing clashes with police, sabotaging public transportation and facilities, and bringing the economies of these two countries to a standstill (Prentzas 37). In response to Cominform’s manipulation of the Italian and French economies, the United States Congress passed an interim aid package (Prentzas 38-40). The aid money provided immediate relief and a message of hope to the citizens of France and Italy while their government leaders were trying to reconstruct their economies (Prentzas 38-40). The French communist party hurt their own cause by derailing a passenger train which killed 16 civilians, and this act of sabotage quickly turned public opinion against the French communist party and the Soviet Union’s influence in France (Prentzas 40). Thankful for the possibility of an aid plan from the United States, war-torn western European countries still battled enemies within their borders while working with neighboring countries to develop fair and productive economic rules.

In order to work effectively, the Marshall Plan organizers formed a new federal agency that would manage aid funds for all of the suffering nations. The new federal agency, the Economic Cooperation administration (ECA), supervised and managed the funds for the
Marshall Plan, officially known as the European Recovery Plan (ERP) (Prentzas 46). Rather than giving cash directly to the countries, the ERP would buy goods and services, mostly from America, and would ship those goods to western Europe to be distributed to participating nations (Prentzas 49). Early shipments, sent in the summer of 1948, consisted of food, medicine, and relief supplies because so many people were in poor health and they could barely survive, let alone work to rebuild their life and country (Prentzas 50). The process of the ERP was to give participating countries and their citizens an opportunity to make a substantial contribution to the recovery (The Marshall Plan: A Strategy that Worked). For example, the Italian government would request a shipment of fertilizer from the ECA who would use the ERP money to buy fertilizer from an American supplier, and then the fertilizer would be shipped to Italy (The Marshall Plan: A Strategy that Worked). The Italian farmer would purchase the fertilizer from the Italian government and the money collected by the government, after selling the fertilizer and other products, would be used to rebuild infrastructure and to pay down their national debt (The Marshall Plan: A Strategy that Worked). In June of 1948, the Soviet Union cut off all routes into West Berlin, which was located about 100 miles inside the Soviet occupation zone (Prentzas 54-55). In response to this Berlin blockade, the United States, United Kingdom, and France launched a massive airlift effort to deliver food and supplies to West Berlin (Prentzas 54-55). This historical event led to the creation of the North Atlantic Treaty Association (NATO), a military alliance between the United States and Western European countries (Prentzas 55). Working out the procedures of the European Recovery Plan’s aid distribution was successful in that raw materials were provided to rebuild infrastructure, citizens had jobs, and Allied nations came together to overcome major obstacles, such as the Berlin blockade.
The United States proposed the Marshall Plan to protect European democracies and to stop the spread of communism, and the citizens of western Europe were thankful. A European citizen wrote a letter, directed towards the United States, 25 years after the Marshall Plan was put into place titled: “Thanking America” (Thanking America). In the letter, he or she said: “I have no authority to speak for any country other than my own, but I know, and I want the American people to know, our gratitude, the gratitude of the Europeans has remained alive” (Thanking America). He or she added “The era of my generation was a concentration of more darkness, more bitterness and more suffering than nations have ever before brought upon themselves. Against this background, the act we are commemorating here today shines brilliantly” (Thanking America). Marilyn Eberly, who had just graduated in 1947 from Pawnee City High School in Pawnee City, Nebraska, vividly remembers the news of misery and destruction post-World War II and the effort of George Marshall and the Truman administration to revive the countries of Europe (Eberly). In a recent email to Ava Eberly, she stated, “The plan was an ambitious offer for a program to assist the economic recovery of Europe” (Eberly). She concluded, “It was certainly a time in my life to take pride in the leadership in the United States and all its’ efforts to preserve peace and relations with that part of the world after the long, long years of World War II” (Eberly). The Marshall Plan officially came to an end on December 31, 1951, as the United States’ attention had turned to the conflict in the Korean peninsula, but the funds distributed by the ERP were a turning point in the recovery of western European nations (Prentzas 83). The bountiful harvest from the 1948 growing season combined with the infrastructure and factory repairs made in the years following World War II made possible because of the ERP funds, contributed greatly to the economic rebirth for western Europe (Prentzas 86). In fact, Winston
Churchill called the Marshall Plan “a turning point in the history of the world” (Prentzas 93). While American citizens may not have supported or fully understood the outcomes of the Marshall Plan early on, the positive impact on the relationship between western Europe and the United States continues to this day.

Europe’s economy, infrastructure, and land were damaged catastrophically in World War II. As a result, there was a need to rebuild the economies and infrastructure of Western Europe which could not be done by the countries themselves. Survivors, tired of the slow speed of economic recovery, looked to communism, which was gaining strength throughout the continent. A weakened Europe, influenced by the communist Soviet Union, meant a security and trade threat to the United States. To address the growing threat, the Truman Administration drafted a plan for European aid, which became known as the Marshall Plan. After seeing the devastation first hand and then educating the American public, the U.S. Congress strongly supported the passage of the Marshall Plan. The results of the Marshall Plan included the recovery of the western European economies, and it stopped the spread of communism in the region. To this day, the freedom and strength of western Europe endures because of the Marshall Plan.
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