

The Marshall Plan: Generosity or Imperialism?
What were the motivations and objectives of the Marshall Plan?

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The European Recovery Program (ERP), or known as the Marshall Plan, a program that the U.S. invested approximately \$13 billion in rebuilding Western Europe's economy over four years, undoubtedly played a significant role in shaping the post-WWII Europe. The plan was issued at a controversial period, where the European continent was left with severe destruction and poverty, and a rising ideology war between U.S. and U.S.S.R.. “Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos.”¹, said General George C. Marshall, at his famous Harvard speech which publically announced the plan. However, there exists long-lasting historical debate on the actual motivations of this plan. This essay will examine the motivations and purposes of the Marshall Plan, whether its existence was, as many argue, for America’s geopolitical manipulation over Western Europe, or as General Marshall declared, generously saving Western Europe from poverty for humanitarian values. After examining multiple sources which provide a variety of perspectives, the establishment of the Marshall Plan was to reform Western Europe’s economic structure and restore its production capability, reshaping a united and stable European political structure through integration, and fulfilling America’s geopolitical interest and influence as well as providing Europeans with psychological support.

The Marshall Plan was produced as a program for the urgent recovery for European economy and improvement of living standards, as well as reshaping the European market for the benefit of both Americans and Europeans. First, the severe destruction after WWII provided the context for America’s intervention in Western Europe. Communication, transportation,

¹ George C. Marshall, *Remarks by the Secretary of State at Harvard University on June 5, 1947*. (The George C. Marshall Foundation, 1947), accessed April 9, 2017, http://marshallfoundation.org/library/wp-content/uploads/sites/16/2014/06/Marshall_Plan_Speech_Complete.pdf, 5.

production, and agricultural systems were all severely damaged. However, the Western Europeans simply did not have the economic ability required to purchase the American goods they so desperately needed. Prior to 1947, Americans had already pumped approximately \$9 billion into Western Europe, but no significant results were showed², which revealed Europeans desperately need a systematic adjustment on their economy rather than simply receiving cash. By 1947, it seemed the chances of reviving viable social, political, and economic systems and orders seemed remote. Claims were made at the time that it would take at least 20 years to restore the European economy,³ which strongly suggested that recovery process was desperately needed to be accelerated. The Marshall Plan was designed to generate increasing productivity to as level for a Western European rearmament without the U.S.'s disciplining, through a gigantic amount of investments in infrastructure and spreading the American management techniques. Additionally, accelerating and intervening the process of European recovery would also establish stable trade order and open trade opportunities by turning Europe into an "American-style Market", a large, effective, unified, and open economic space with American management techniques. Hence, the U.S. would like to shape Europe into a free internal market for American exports and prevent European market to become independent and compete with the growing American market.

Besides, the Marshall Plan aimed to grant political stability, by promoting European integration and giving Europeans the autonomy to execute the plan, thus to secure Liberal Democracy the absolute ideology of Western Europe. After WWII, Europeans were looking for new political ideologies in order to break out of the cycle of economic stagnation and political

² Michelle Cini.: *From the Marshall Plan to EEC: Direct and Indirect Influences*, In *Marshall plan: fifty years after*, edited by Martin A. Schain, 13-38. (New York, NY: Palgrave Macmillan, 2001), 15.

³ *ibid.*

frustration that had characterized the continent for the previous two decades. Newly-formed democratic governments faced severe challenges preventing political extremists of all kind to come in power, evident by the growing Communist insurgencies in Greece, Turkey, and Italy.⁴ The assumption was that improved economic conditions would reduce popular sympathy for communism and mobilize support for U.S. sponsored democratic and liberal solutions to Western Europe's problems. At the same time, there appeared a trend of reducing isolationism in America, as Americans would not want to repeat the isolationists errors made in the past.⁵ Thus, the direct political purpose of the plan was to secure political stability and gain confidence and support for democracy, as well as prevent Western European States to turn into Communism for relief. The proposal of the Marshall Plan, which is economic security through economic recovery could generate political stability, made stabilization possible without requiring the sorts of economic policies that might have had destabilizing social consequences.⁶ Another crucial reason of creating political stability was restrain Germany and avoid the repetition of historical tragedy. In Marshall's Harvard speech, he spoke of the need to "break the vicious circle."⁷ The Marshall Plan proposed a solution that integrate Germany with other European countries both politically and economically to restrain its power. The reintegration of Western Germany was also an essential condition for Europe's economic recovery, because the entire European industrialization heavily relies on steel and coal provided by Germany. The point of the Marshall

⁴ Paul Finkelman and Bruce A. Lesh. *Milestone documents in American history: exploring the primary sources that shaped America*. Vol. 3., 1508-1515 (Dallas, TX: Schlager Group, 2008), 1509.

⁵ Jolyon Howorth. *The Marshall Plan, Britain, and European Security: Defense Integration or Coat-tail Diplomacy?*, In *Marshall plan: fifty years after*, edited by Martin A. Schain, 39-59. (New York, NY: Palgrave Macmillan, 2001), 51.

⁶ Tony Judt. *Introduction*, In *Marshall plan: fifty years after*, edited by Martin A. Schain, 1-12. (New York, NY: Palgrave Macmillan, 2001), 6.

⁷ Marshall, *Remarks by the Secretary of State at Harvard University on June 5, 1947*, 5.

Plan was not to rebuild Europe at all, but to build an entirely new Europe; To end centuries of European conflicts and redefine the relationships among European countries. The unique part of the Marshall Plan was that it was designed to be a European initiative with American resources. Expressed in Marshall's own statement, "This is the business of Europeans. The initiative, I think, must come from Europe"⁸, the U.S. rejected the possibility that it would act alone to rebuild Europe because fearing the comeback of domestic isolationism, rather, in favor of a plan calling for the cooperation of European powers in recovery efforts. Europeans themselves would be mostly responsible for the operation and the level of aid to be granted and coordinate its distribution. And during the process of planning distribution, it fostered closer collaboration between the U.S. and Western Europe as well as internal European cooperation. This was necessary because Marshall Aids was designed to be a temporary program of support rather a longer-term investment or manipulation over Western Europe, and it was still up to the Western Europeans themselves to regulate their internal recovery and reconstruction in the future. Although Marshall Plan was executed by an integrated European committee, it still allowed individual European governments to remain preservation of their relative autonomy to work out their own social and economic agendas within regulations, and made the plan itself attractive for European governments.

Furthermore, Marshall Plan was planned to expand U.S.'s foreign political and military influences on Western European and prevent the expansion of the Soviet Union, and providing Europeans psychological support. Immediately after the war, both U.S. and U.S.S.R. were desperately forming alliance with liberated European countries. Unlike Soviet's approach with

⁸ Marshall, *Remarks by the Secretary of State at Harvard University on June 5, 1947*, 7.

military occupation, the U.S. aimed to create economic cooperation among states for the later establishment of other military and political cooperations. The Marshall Plan itself never had any military aspects except providing some strategic materials. However, the economic recovery of Europe and the military security were inseparable. A U.S. political and military commitment to contain communism in Europe could not in practice be circumscribed to the cooperative economic sphere, and Marshall Plan would effectively build that atmosphere. An integrated and coordinated European economy was thought to be able to simultaneously increase political, economic, and military strength in Europe as well as minimize the necessity of the U.S. having to administer directly economic processes in Western Europe. The plan was also aim to satisfy the Western European states as they would only need to sacrifice a little in state autonomy but build sufficient military and economic power to resist perceived threats, to show them that U.S. were protective of Europe's autonomy, and they were eventually willing to tolerate an increase in American intervention along minimal lines. Another long-term objective of the plan was to help the U.S. establish absolute leadership and power in Western Europe. The logic behind the U.S. support for European integration can be viewed as an effort to build its strength in Western Europe directly through relations of international economic exchange. European integration became the avenue down which all of Americans' other policies toward Western Europe would be channeled by using the plan's political momentum, simultaneously allowing the U.S. to fulfill its mission as a world leader. By joining security and economic in efforts such as the Marshall Plan, the Truman administration was able to gain domestic and international support for both the political strategic and economic dimensions of further order building.⁹ Equally important as the

⁹ Robert Latham: *Cooperation and Community in Europe: What the Marshall Plan Proposed, NATO Disposed*, In *Marshall plan: fifty years after*, edited by Martin A. Schain, 61-90. (New York, NY: Palgrave Macmillan, 2001), 67.

economic and geopolitical purpose of the plan, the plan also emphasized on providing Europeans psychological support and winning the moral aspect of the Cold War. The plan offered Western Europeans the promise of American aid and the prospect of stability and eventual improvement at a time when many Europeans were quite pessimistic about the prospects for their continent. The economic confidence and security of the plan also enhanced personal freedom and social equality. This would open up room for individuals not only to survive, but to pursue their interests in the politics and businesses, and strengthen their belief in liberal democracy. On a larger scale, the plan subtly casted the U.S. as Europe's "protector" and the Soviet Union as its "antagonist" working against the humanitarian goal of restoring normal productive life for Europeans out of the chaos and poverty.¹⁰ The humanitarian concerns justified U.S. political and economic motivations in this initiative, to ensure domestic public and Congress's support. The Marshall Plan provided a formula that "appeared to integrate its hegemonic center with liberal uniaxis in Europe", however, in a manner that would fulfill "the imperatives of auto-extinguishment"¹¹. The psychological boost provided by the Plan was much more important than the dollars themselves and was without a doubt absolutely necessary for the approval of the plan and the success of the Western Ideology.

As President Harry S. Truman commented, "The Marshall Plan will go down in history as one of America's greatest contributions to the peace of the world."¹², the Marshall Plan is argued as one of the most successful initiatives and a triumph of U.S. foreign policy in the post-WWII era. The plan successfully fulfilled its initial goals: It redefined Europe's economic

¹⁰ Paul Finkelman and Bruce A. Lesh. *Milestone documents in American history: exploring the primary sources that shaped America*, 1511.

¹¹ Latham:. *Cooperation and Community in Europe: What the Marshall Plan Proposed, NATO Disposed*, 64.

¹² Paul Finkelman and Bruce A. Lesh. *Milestone documents in American history: exploring the primary sources that shaped America*, 1514.

structure and created the economic miracle which brought Western Europe prosperity; it established an integrated Europe and secured liberal democracy in the Western Bloc, and effectively prevented future conflicts within Western European countries. It also helped America to expand its influence in Western Europe and established absolute leadership in the Western Alliance, and gained public support through its humanitarian action. Indeed, it had done far more than it was designed to do. The Marshall Plan built the foundation of transAtlantic cooperation during the Cold War, which helped the Western Alliance unite and eventually won the Cold War; It also created the long-lasting legacy of European economic and political integration and created the foundation of the European Economic Community and the modern European Union.

Recommendation/Reflection:

The Marshall Plan was absolutely one of the most successful political and economic aiding initiatives in the history, with its long-lasting legacy of saving Europe from poverty and securing democracy, and integrated the European Society to prevent future warfares. For future historians, the motivations, objectives, and approaches of the Marshall Plan could provide an inspiring example of rebuilding a post-war society with secure democracy and prosperity. The modern United States had liberated countries from dictatorship and totalitarianism, but the economic and political recovery of those countries seemed miserable. Such examples could be found in Afghanistan, Libya, and Iraq, where democracy was once again challenged with Terrorism and corruption, and no sign of rapid rebuilding of industrial systems was showed even enormous amount of aid was given. The success of Marshall Plan gave a historical example of how states could be quickly restored with foreign aids and an efficient method under intense political pressure. As future historians, finding the connection between post-WWII Europe and those recently democratized countries, evaluating the challenges they were each facing, studying the Marshall Plan's approach, would help them to discover the suitable approach to recovery and rebuilding in those areas.

Another legacy of the Marshall Plan was the continental integration it proposed. The plan's proposal of aiding Western Europe as a whole and creating a European Committee regulating and distributing economic resources, more cooperations and integrations were built between Western European states. European integration not only established political stability, transformed the market structure, but also ended centuries of warfare occurred on that continent. For historians studying the formation of cross-national collaborations such as the African Union,

the Marshall Plan's proposal would be interesting to investigate and compare with other similar initiatives' creation and objectives, as it was one of the first and most successful continental integration initiatives. Additionally, continental integration might be an effective solution for solving many continental-wide issues, as proven in the Marshall Plan. Germany published a report in 2017 that stated its interest in creating another "Marshall Plan" for Africa¹³, which proposed to invest more to the African Continent as a whole to raise social equality and justice, improve life quality, accelerate economic growth and sustainable development. Future historians might find those initiatives similar comparing to the European Recovery Program and investigate the effectiveness of those approaches, and whether the Marshall Plan method could be duplicated and implemented again in today's context.

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¹³ Federal Ministry for Economic Cooperation and Development. Federal Republic of Germany. *Africa and Europe - A new partnership for development, peace, and a better future: Cornerstone of a Marshall Plan with Africa*. (Berlin, Federal Republic of Germany: Federal Ministry for Economic Cooperation and Development Division for Public Relationships, 2017). Accessed April 26, 2017.
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