



The Marshall Plan

OVERVIEW

Summary

Students revisit the controversies surrounding adoption of the **European Recovery Plan** as a way to understand the significance of the program in its **Cold War** context.

Goals

To inform students about the purposes and results of The Marshall Plan and its importance as a means for securing regional and global peace

Resources

- Information sheet, "The Marshall Plan"
- Follow-up worksheet
- ERP poster reproductions (optional)
- blank map of Europe, 1945 (optional)
- Marshall Plan data sheet (optional)
- 1947 Marshall Plan speech (optional, also on CD track #12)

ACTIVITY

1. **Distribute** the **information sheet and worksheet** to individuals or groups.
2. Have students **read material** and **complete the worksheet**.
3. Follow-up with one or more of the extensions described in **CONNECTIONS**.

Spark

Introduce this activity through its controversy. Ask students to imagine it's 1947 and WW II and a long period of personal and financial sacrifice has just ended. How do they as Americans feel? Now imagine that George Marshall is calling for the U.S. taxpayers to give \$13 billion to Europe, including Germany! What questions/reactions does this news raise for your class?



CONNECTIONS

Writing

- ◆ Create a **letters to the editor** bulletin board in which students submit their written opinions on whether or not Americans should pay for the European Recovery Program.
- ◆ **Have students write and design a pamphlet** Marshall could have used to persuade his fellow Americans to support the ERP program.

Role Play

Have students **prepare a debate** between Americans in favor of the ERP and those against.

Arts

- ◆ Have students draw **editorial cartoons** for and against Marshall's proposed Plan.
- ◆ Display and discuss the symbolism in the **ERP posters** included with this unit. Then challenge students to **design their own posters** symbolically representing the goals of the European Recovery Program. Encourage students to present, discuss, and display their posters.

Math

- ◆ Have students create **bar and pie graphs** to illustrate the amount (or **percentage**) of money distributed to each country under the European Recovery Plan. Use the data from Marshall Plan data sheet.
- ◆ Have students create **line graphs** showing changes in the per capita GNP's of European nations, 1938 - 1981. What patterns do they discern? Use figures supplied from the Marshall Plan data sheet.

Social Studies

Challenge students to locate and identify on their blank **maps** each of the **European nations** receiving aid from the United States as part of the Marshall Plan. Have them color these countries then answer the following questions:

- a. Which nations did not participate?
- b. What do you notice about the location of these countries?
- c. Why did these nations not participate?

Community

Involve your class in a local, regional, or international **service project** whose aims, like the ERP, strive to help those in need help themselves. The Peace Corps hosts an extensive website about its volunteer projects world wide and offers many ways classrooms can get involved. **Peace Corps Partnerships** directs 100% of contributions to these specific local self-help projects. For more website information visit www.peacecorps.gov/contribute/partnership.html. Telephone for the Peace Corps Partnership Programs is (800) 424-8580 ext. 2170.

A well-known non-profit organization also with links to schools is **Heifer Project International**. HPI sends food- and income-producing animals to struggling families all over the world (these families in turn pass on the first animal offspring to other local families in need, and so on). Donors "buy" an animal or share of one to send overseas. Initiated by an American farmer in 1944 as a direct response to dire need in Europe, the program has helped more than 4 million families in 118 countries. For more information, see the HPI website at www.heifer.org. See also Community Connection, **Part of A Bigger Picture**.

SUPPORT

Teaching Tips

Many historians and analysts now consider the Marshall Plan the most significant governmental achievement of the twentieth century, according to a recently released findings from the Brookings Institute, a respected Washington think-tank. Learning about the Marshall Plan offers students an excellent foundation for understanding related historical issues such as the Cold War and policies of communist containment, the Berlin blockade, the rise of McCarthyism and the founding of NATO, and subsequent East-West conflicts in Korea and Vietnam.

Background

Most nations of western Europe became partners in the Marshall Plan with a few exceptions. Spain was not invited to participate because it was then under Franco's dictatorship. West Germany did not fully participate until 1949. Switzerland remained neutral. The Soviet Union declined to participate as did nations of the Eastern Bloc which had been under Soviet occupation since the Soviets had driven out the Nazis in 1945. The Soviets were leery of fully disclosing their economic needs and reluctant to be part of any economic plan that encouraged Europeans to trade west, with the United States, rather than east with the Soviet Union. The Soviet Union successfully pressured nations under its influence to decline participation with the Marshall Plan as well.

Help students consider ways in which Marshall's forward-thinking plan exemplifies values central to Marshall himself. While certainly in U.S. economic interest, the Plan was also an act of compassion. It called Americans to surrender self-interest for a greater good. Among the Europeans, it encouraged initiative, cooperation, and hard work. Furthermore, it is a stunning example of how we can learn from the past to create a better future.





◆ **About the posters**

The posters reproduced in this unit are five of the 10,000 pieces of artwork submitted for an international competition about the ERP in 1950. Artists throughout Europe were encouraged to submit posters that represented the theme of cooperation and economic recovery. A panel of 12 artists, each representing a different Marshall Plan country and speaking between them 9 languages served as judges. The 25 top posters were shown throughout Europe. First place winner of the competition was a 25 year old Dutch artist, Reijn Dirksen; he was awarded \$1500 for his work, "All Our Colours to the Mast." Other winners included:

- A. "You Hold the Key" by Leonard Roy Horton and Ronald Sandifort (UK), 1950.
- B. "We're Building a New Europe" by Kurt Krapeik (Austria), 1950.
- C. "Intra-European Cooperation for Better Living Conditions" by Alfred Lutz (Germany), 1950.
- D. "Prosperity -- The Fruit of Cooperation" by Brian Dear (U.K.), 1950.

Many of the winning posters are on permanent display at the Marshall Foundation in Lexington.

◆ **About the map**

Answer Key

- | | | | |
|--|---|--|----|
| 1. Iceland | A | 15. Hungary | W |
| 2. Portugal | K | 16. Yugoslavia..... | BB |
| 3. Spain..... | F | 17. Albania | X |
| 4. France | N | 18. Greece..... | AA |
| 5. Luxembourg..... | J | 19. Bulgaria..... | Y |
| 6. Belgium | 0 | 20. Turkey | T |
| 7. Netherlands | S | 21. Romania..... | G |
| 8. Switzerland | V | 22. Union of Soviet Socialist
Republics (USSR)..... | M |
| 9. Italy..... | P | 23. Finland | L |
| 10. Austria | Q | 24. Sweden | B |
| 11. Federal Republic of
Germany | D | 25. Norway | H |
| 12. German Democratic
Republic | C | 26. Denmark | Z |
| 13. Czechoslovakia | R | 27. Ireland | E |
| 14. Poland..... | U | 28. United Kingdom..... | I |



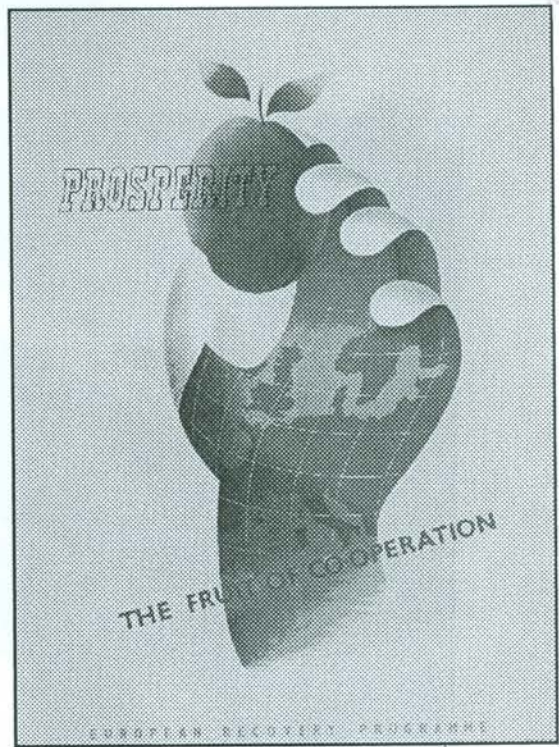
• ALL OUR COLOURS TO THE MAST •

"All Our Colors to the Mast"
Reijn Dirksen (Netherlands), 1950.



“Intra-European Cooperation for Better Living Conditions”

Alfred Lutz (Germany), 1950.



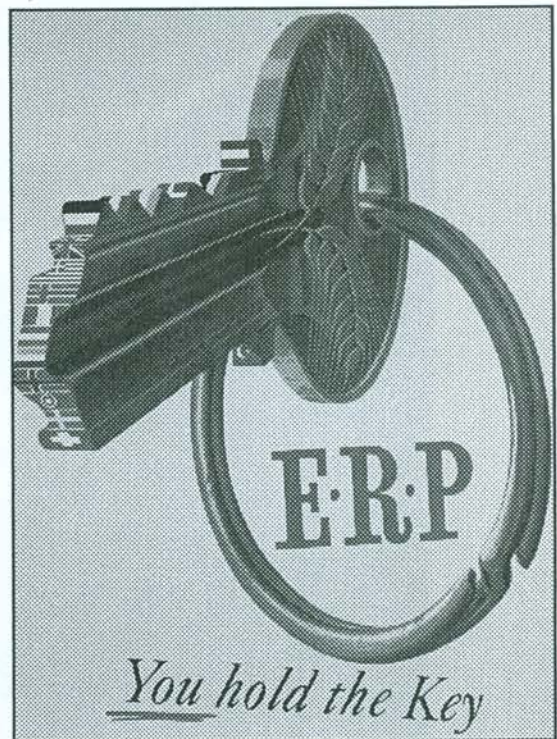
“Prosperity -- The Fruit of Cooperation”

Brian Dear (U.K.), 1950.



“ERP -- We’re Building a New Europe”

Kurt Krapeik (Austria), 1950.



“You Hold the Key”

Leonard Roy Horton and Ronald Sandifort (UK), 1950.



The Marshall Plan

Two years after the end of World War II, President Truman appointed George Marshall to an important governmental job--Secretary of State. The Secretary of State is the person who represents the United States in its dealings with other countries. This person also gives the president advice on how to relate to these countries. When Marshall became Secretary of State he faced a huge problem: Europe was a disaster.

When he visited Europe in the spring of 1947, Marshall saw a continent crushed by economic and spiritual despair. The war had killed more than forty million Europeans--fathers, mothers, sons, and daughters. Whole nations were in grief. Beautiful cities and bustling towns had been destroyed. Factories were in ruins. Jobs were scarce. After a brutally cold winter, there was also not enough food to go around. Families were suffering, especially children. In some countries people were already starving to death. The situation was getting worse, not better.

Observing the terrible situation in Europe, Marshall remembered the past. He remembered how deeply the German people had suffered after World War I. The harsh peace terms to end that war had punished Germany severely, crippling that nation's ability to care for itself. Marshall remembered how the German people, desperate for a better life, had supported Hitler's rise to power in the 1930's. He saw how easy it was for hungry people to latch on to dictators. Would history repeat itself again? Would the survivors of World War II

also surrender their newly-won freedom for bread? Marshall and others were concerned about the growing power of the Soviet Union to the east. The Soviet Union had a communist form of government that denied many individual rights to its citizens. Would the people of Europe turn to communism in order to survive?

Marshall was a student of history and he could see a terrible cycle about to repeat itself. There was only one thing to do: break the cycle and change the future. As Marshall saw it, the victims of war needed to be helped now so they wouldn't need to rely on powerful dictators later. This was a new idea, but Marshall went further still: help needed to be given to all victims of war, both losers and winners. As Marshall saw it, only in the roots of shared prosperity might the mighty tree of peace grow strong.

In June 1947, Marshall made a brief speech outlining his ideas for the European Recovery Plan. He proposed that the United States give money and supplies to Europeans so that they could rebuild their countries. To get the aid, the European nations had to agree to work with each other and with their former enemy, Germany. They also had to come up with their own projects and ideas that the U.S. money could fund. The Marshall Plan--as everybody but Marshall called it--was instantly popular with most European nations, including Germany. The Soviet Union, however, and the Eastern Bloc countries already under its influence declined to participate.

Marshall and his team figured the Europeans needed \$13 billion dollars to start their recovery and that the hardest part of the Plan was convincing Americans this was the right thing to do. World War II had ended only two years before and it had been a very long and costly war. Americans were tired of thinking about global issues and making sacrifices. Although the Plan did not require soldiers, it did ask Americans to give up more money and to "tighten their belts" so that needed food and supplies could go to Europe instead. It also required American industries to share their knowledge with factories in Europe even though they might one day be competing businesses! Clearly, convincing Americans to support and approve the European Recovery Plan was a challenging task.

For many months Marshall worked hard to help Americans understand the importance of the project. As he had done during W.W. II, Marshall made countless appearances before Congressional committees, speaking with the directness and honesty he was known for. Then he went one step further. He took his idea to the people themselves, traveling all over the nation making speeches on behalf of this project. As always, Marshall encouraged his listeners to think as he did, to consider the future when making plans for the present. Just as investing in soldiers had been good for the war, so would investing in people now be good for peace. And what was good for peace was good for everybody, no matter where we lived.

Marshall's hard work paid off. The next year, in 1948, Congress approved funding for the European Recovery Plan. The cost to the U.S. was \$13 billion over a three year period. This amount was the same as 1.2 percent of

the nation's yearly income, or gross national product (GNP). It was a small amount of money compared to the wealth of the United States, but it made a tremendous difference in lives of people in Europe. Working together, the European governments repaired railroads, bridges, and roads. They sent technicians to America to learn new ways of doing things. They re-invested in farming, mining, and manufacturing. They rebuilt factories, apartments, and schools. From the rubble of war, the Marshall Plan had rescued hope. At last, there was work, there was food, there was shelter. Best of all, there was peace.

The Marshall Plan officially ended in 1951, but its benefits continued to grow. Today Western Europeans enjoy a high quality of life in healthy democratic nations. In the twenty-first century, these nations work and trade with one another and the world in cooperation and peace. Marshall's new vision for the future was right. As the old saying goes, "an ounce of prevention is worth a pound of cure." By improving the lives of ordinary Europeans, Marshall prevented the outbreak of more wars and sowed the seeds for peace. Marshall received many honors for helping the world become a better place, but none more respected than the award he won in 1953, the Nobel Peace Prize. This famous award is given to one person (or group of persons) in the world each year for achievements in peacemaking. Never before had a soldier won such an award, until George C. Marshall.

The Marshall Plan

A. What Did You Read?

Directions: Read the information sheet and fill in the blanks with correct answers.

George C. Marshall became _____ in 1947. He went to _____ and saw the terrible situation. He remembered another terrible time after World War I when the _____ people suffered terribly. He also remembered how these people later supported the rise of Nazi leader named _____, who led Europe into World War II. Marshall did not want Europeans to give up their _____ again. He was worried that countries in difficulty would look to the nation of _____ for help. To prevent the spread of the communism, he thought the _____ (name of country) should help Europe with its recovery. The Marshall Plan proposed that _____ billion dollars in aid be given to European countries to help rebuild. The United States Congress approved this Plan in _____ and Europe was soon on its way to better days. For his successful efforts to build a better world, Marshall received the _____ Prize in _____ (year).

B. What Do You Think?

Directions: Read the questions and offer your opinion in sentence form.

1. Why might the time after a war be as hard--or harder--than during a war?
2. What do you think was the worst thing facing the European people after the war? Why?
3. Why do you think desperate people often turn to dictators for help?

4. Why do you think Marshall required Germany and the other countries to work together during the recovery?

5. Would you have been in favor of the Marshall Plan if you were an American living in 1948? Why or why not?

6. "An ounce of prevention is worth a pound of cure."
 - a. What does this saying mean?

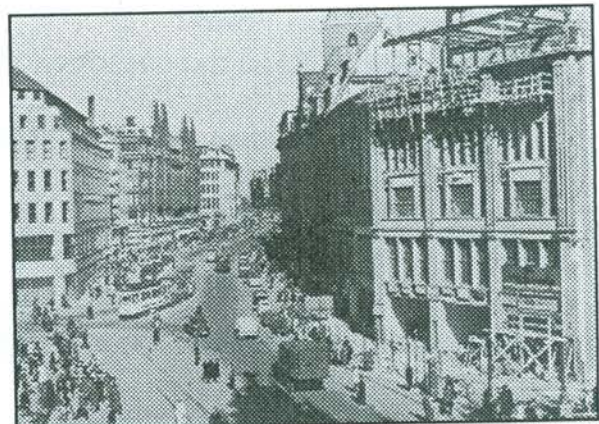
 - b. How is it true for what Marshall did in Europe?

C. What Do You See?

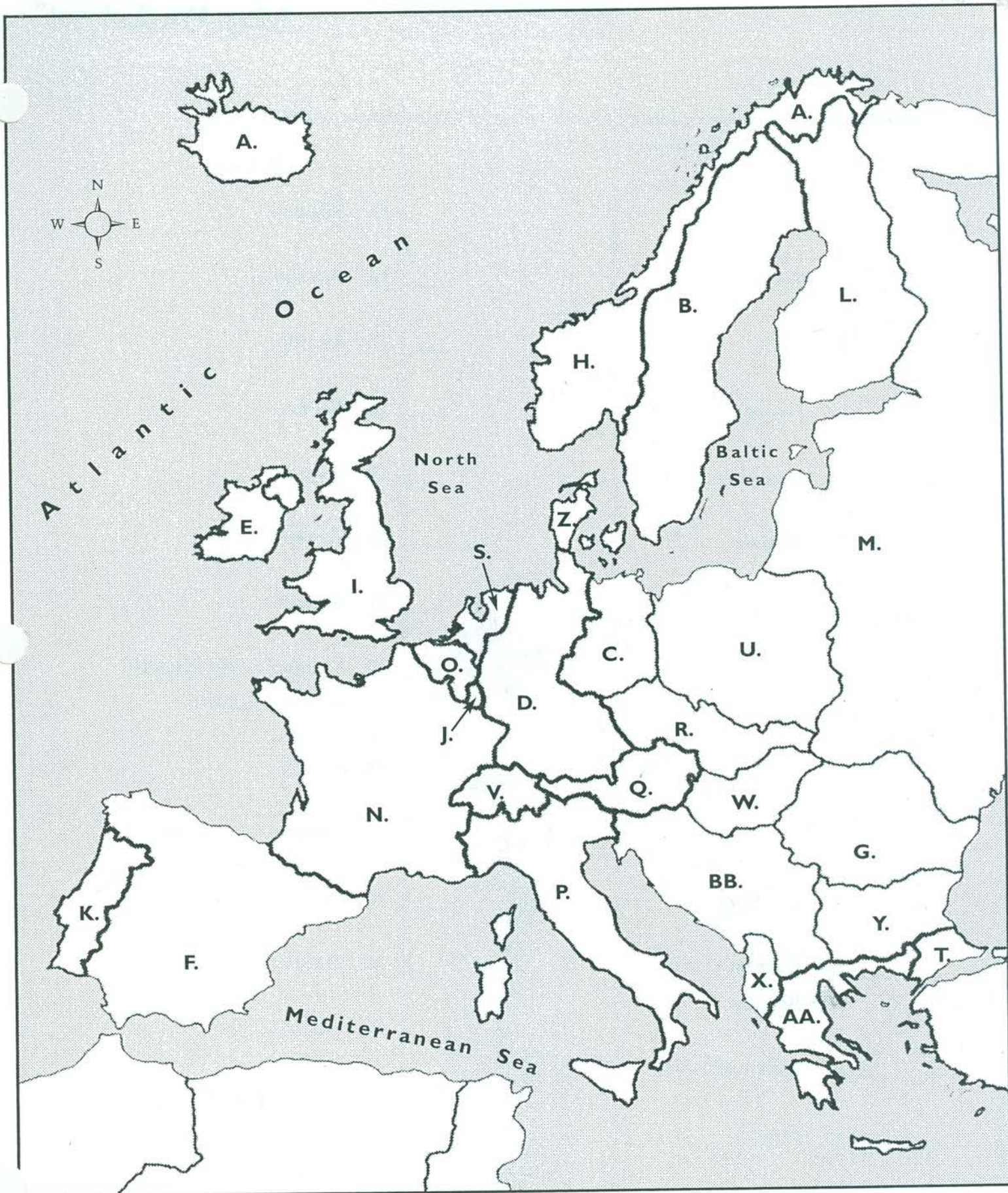
Directions: Here are two photos of Hamburg's Moenckebergstrasse in Europe during and after World War II. Write about the differences between the two photos. How might these photos be related to the Marshall Plan?



1943



1950



Map of Europe, 1945

Map Worksheet

Directions: Match the countries listed below with the coordinating letter on your European Map.

_____ 1. Iceland

_____ 2. Portugal

_____ 3. Spain

_____ 4. France

_____ 5. Luxembourg

_____ 6. Belgium

_____ 7. Netherlands

_____ 8. Switzerland

_____ 9. Italy

_____ 10. Austria

_____ 11. Federal Republic of
Germany

_____ 12. German Democratic
Republic

_____ 13. Czechoslovakia

_____ 14. Poland

_____ 15. Hungary

_____ 16. Yugoslavia

_____ 17. Albania

_____ 18. Greece

_____ 19. Bulgaria

_____ 20. Turkey

_____ 21. Romania

_____ 22. Union of Soviet Socialist
Republics (USSR)

_____ 23. Finland

_____ 24. Sweden

_____ 25. Norway

_____ 26. Denmark

_____ 27. Ireland

_____ 28. United Kingdom

The Marshall Plan

Per Capita Gross National Product of Marshall Plan Countries (in 1981 dollars)

Country	1938	1947	1951	1981
Austria	\$2004	\$1213	\$2473	\$8692
Belgium	3394	3145	3951	9679
Denmark	4028	4016	4602	10802
France	2953	2682	3628	10597
Germany (F.R.G.)	2184	1847	3507	4108
Greece	1178	731	954	4108
Iceland	2504	4366	4230	11688
Ireland	1879	1876	2144	4733
Italy	2078	1540	1955	6112
Luxembourg	2979	4112	4883	10082
Netherlands	3532	3304	4022	9688
Norway	3606	3830	4616	13222
Portugal	498	485	634	2310
Sweden	4663	5321	6157	13408
Turkey	499	450	578	1191
United Kingdom	4345	4515	5016	8921
European Avg.	2648	2426	3238	7919
United States	4226	6332	7240	12727

Information from Sanford, William, *The Marshall Plan: Origins and Implementation*. Washington, D.C., United States Department of State Bureau of Public Affairs, 1982.

European Nations Receiving Aid from the Marshall Plan

Country	ERP Dollars Given	Percentage of Total
United Kingdom	3,189,800,000	(23.9%)
France	2,713,600,000	(20.4%)
Italy	1,508,800,000	(11.3%)
Germany	1,390,600,000	(10.4%)
Netherlands	1,083,500,000	(8.1%)
Greece	706,700,000	(5.3%)
Austria	677,800,000	(5.1%)
Belgium/Luxembourg	559,300,000	(4.2%)
Denmark	273,000,000	(2.1%)
Norway	255,300,000	(1.9%)
Turkey	225,100,000	(1.7%)
Ireland	147,500,000	(1.1%)
Sweden	107,300,000	(0.8%)
Portugal	51,200,000	(0.4%)
Iceland	29,300,000	(0.2%)
Regional*	<u>407,000,000</u>	<u>(3.1%)</u>
Total	13,325,800,000	(100%)

*Includes freight and technical assistance.



The Marshall Plan

THE MARSHALL PLAN SPEECH

Mr. President, Dr. Conant, members of the board of overseers, ladies and gentlemen, I'm profoundly grateful and touched by the great distinction and honor and great compliment accorded me by the authorities of Harvard this morning. I'm overwhelmed, as a matter of fact, and I'm rather fearful of my inability to maintain such a high rating as you've been generous enough to accord to me. In these historic and lovely surroundings, this perfect day, and this very wonderful assembly, it is a tremendously impressive thing to an individual in my position.*

But to speak more seriously, I need not tell you that the world situation is very serious. That must be apparent to all intelligent people. I think one difficulty is that the problem is one of such enormous complexity that the very mass of facts presented to the public by press and radio make it exceedingly difficult for the man in the street to reach a clear appraisal of the situation. Furthermore, the people of this country are distant from the troubled areas of the earth and it is hard for them to comprehend the plight and consequent reactions of the long-suffering peoples of Europe, and the effect of those reactions on their governments in connection with our efforts to promote peace in the world.

In considering the requirements for the rehabilitation of Europe, the physical loss of life, the visible destruction of cities, factories, mines,

and railroads was correctly estimated, but it has become obvious during recent months that this visible destruction was probably less serious than the dislocation of the entire fabric of European economy. For the past ten years conditions have been highly abnormal. The feverish preparation for war and the more feverish maintenance of the war effort engulfed all aspects of national economies. Machinery has fallen into disrepair or is entirely obsolete. Under the arbitrary and destructive Nazi rule, virtually every possible enterprise was geared into the German war machine. Long-standing commercial ties, private institutions, banks, insurance companies, and shipping companies disappeared, through loss of capital, absorption through nationalization, or by simple destruction. In many countries, confidence in the local currency has been severely shaken. The breakdown of the business structure of Europe during the war was complete. Recovery has been seriously retarded by the fact that two years after the close of hostilities a peace settlement with Germany and Austria has not been agreed upon. But even given a more prompt solution of these difficult problems, the rehabilitation of the economic structure of Europe quite evidently will require a much longer time and greater effort than had been foreseen.

There is a phase of this matter which is both interesting and serious. The farmer has always produced the foodstuffs to exchange with the city

dweller for the other necessities of life. This division of labor is the basis of modern civilization. At the present time it is threatened with breakdown. The town and city industries are not producing adequate goods to exchange with the food-producing farmer. Raw materials and fuel are in short supply. Machinery, as I have said, is lacking or worn out. The farmer or the peasant cannot find the goods for sale which he desires to purchase. So the sale of his farm produce for money which he cannot use seems to him an unprofitable transaction. He, therefore, has withdrawn many fields from crop cultivation and is using them for grazing. He feeds more grain to stock and finds for himself and his family an ample supply of food, however short he may be on clothing and the other ordinary gadgets of civilization. Meanwhile, people in the cities are short of food and fuel, and in some places approaching the starvation levels. So the governments are forced to use their foreign money and credits to procure these necessities abroad. This process exhausts funds which are urgently needed for reconstruction. Thus, a very serious situation is rapidly developing which bodes no good for the world. The modern system of the division of labor upon which the exchange of products is based is in danger of breaking down.

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.

The remedy seems to lie in breaking the vicious circle and restoring the confidence of the people of Europe in the economic future of their own countries and of Europe as a whole. The manufacturer and the farmer throughout wide areas must be able and willing to exchange their product for currencies the continuing value of which is not open to question.

Aside from the demoralizing effect on the world at large and the possibilities of disturbances arising as a result of the desperation of the people concerned, the consequences to the economy of the United States should be apparent to all. 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. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist. Such assistance, I am convinced, must not be on a piecemeal basis as various crises develop. Any assistance that this Government may render in the future should provide a cure rather than a mere palliative. 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 is already evident that, before the United States Government can proceed much further in its efforts to alleviate the situation and help start the European world on its way to recovery, there must be some agreement among the countries of Europe as to the requirements of the situation and the part those countries themselves will take in order to give a proper effect to whatever action might be undertaken by this Government. It would be neither fitting nor efficacious for our 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.

An essential part of any successful action on the part of the United States is an understanding on the part of the people of America of the character of the problem and the remedies to be applied. Political passion and prejudice should have no part. With foresight, and a willingness on the part of our people to face up to the vast responsibilities which history has clearly placed upon our country, the difficulties I have outlined can and will be overcome.

I am sorry that on each occasion I have said something publicly in regard to our international situation, I've been forced by the necessities of the case to enter into rather technical discussions. But to my mind, it is of vast importance that our people reach some general understanding of what the complications really are, rather than react from a passion or a prejudice or an emotion of the moment. As I said more formally a moment ago, we are remote from the scene of these troubles. It is virtually impossible at this distance merely by reading, or listening, or even seeing photographs and motion pictures, to grasp at all the real significance of the situation. And yet the whole world of the future hangs on a proper judgment. It hangs, I think, to a large extent on the realization of the American people, of just what are the various dominant factors. What are the reactions of the people? What are the justifications of those reactions? What are the sufferings? What is needed? What can best be done? What must be done? Thank you very much.*

**This transcription of the Marshall Plan speech is taken from a tape in the Foundation archives, which was made as Secretary Marshall gave the famous address. The principal differences between this transcription and earlier written versions of the speech distributed to the press and others are the opening and closing paragraphs which Marshall added while delivering his address.*