

# **Marshall Plan**

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#### Abstract

After Europeans difficulties were amplified by the harsh winter 1946-1947, due to situations and mentalities still inflamed by the war, but also direct aggression of the left over the entire European continent, from June 5, 1947, Secretary of State, George Marshall, a speech at Harvard University, proposing a global financial aid for European reconstruction, as plan remained famous in history under his name.

Offering hearty help, Marshall suggests strongly beneficiary states to agree on the Economic Recovery Program of One: Americans want Europeans to take ownership concrete realization of the plan of reconstruction.

In the present paper I analyzed the Marshall plan and the impact in Europe construction.

Keywords: European Union; Marshall Plan

#### Introduction

The initiators plan "Marshall" started with that, as perceived in times of F. Roosevelt causes of two world wars and the Great Depression: class hatred, poverty, underdevelopment and lack of hope for change.

The politicians at that time tended to build a postwar world that satisfies the hopes of ordinary citizens, who claim their part to the benefits brought by industrial development.

The plan was a previous and viable strategy for economic recovery there. This program, at that time, after the Second World War, called "Marshall Plan" for the reconstruction of Europe. The plan was not a help but a strategy, a lifeline stretched for Europe to grasp it and swim to shore with him. Plan began funding strategic investments designed specifically for the beneficiaries to resume exports.

The ideal of building a united Europe was intensity and scope variables present in the consciousness of many Europeans.

Of course, the idea is old. The European Historians had the idea to evoked precursors projects, but nevertheless remained theoretical stage; politicians have not been set consistency. Only achievements have been dictated by the sword, by personal ambition and desire for hegemony by coercion. They are also partial and ephemeral achievements. There were coalition, alliance systems, but these were only combination of diplomatic, military combinations. Do not search for equality between the parties, reciprocal exchanges, but the subordination of some to others. Unfavorable historical circumstances prevented the unification of Europe have expanded or contracted edges.

It had to end the Second World War for the idea to take shape, catching force. Europe was torn in two, with political regimes, social and economic characteristics and antagonistic soon. The predisposing factors exist. The fear of Soviet danger was one of them. A second factor was the encouragement coming from the United States, a country interested in the existence of a Europe which had eliminated the chaos and poverty in terms of industrial and agricultural production much lower, no trade, no financial reserves, with infrastructure transport damaged or destroyed, ruined cities.

On June 5, 1947 in a speech in the Hall of Harvard University, US Secretary of State George Marshall announced the launch of a vast program of economic assistance for the recovery of European economies, in order to stop the expansion of communism, a phenomenon which he considers related economic problems.

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Correspondence: Dragos Ionut ONESCU Strasbourg University/Babes-Bolyai University Cluj-Napoca, Romania On June 19, 1947 the foreign ministers of France (Georges Bidault) and UK (Ernest Bevin), signed a statement inviting 22 European countries to send representatives to Paris to outline a plan for European reconstruction.

Labeling Marshall Plan as "American economic imperialism", Moscow banned satellite countries to attend the conference in Paris. The Soviets believed that acceptance of the plan would lead to separation from the USSR countries in its sphere of influence and the loss of political and strategic advantages gained by Kremlin in Central and Eastern Europe at the end of World War II Marshall Plan was launched on April 4, 1948, when Congress passed a law "on economic cooperation", which included a program of economic aid to Europe for a period of four years. The total amount allocated under the Marshall Plan amounted to about 12.4 billion US dollars. Later, the Marshall Plan was applied to Japan and other countries in East Asia, South Africa, Eastern Europe after the fall of the Berlin Wall Marshall Plan proved to be the most successful project of civil reconstruction of the twentieth century, economic recovery Western Europe, which until the 70s has seen explosive growth.

Imaginary background picture painted by Marshall Plan look like this: after war, the US economy in 1947 made up about half of the global economy and more than half of world industrial production and throughout the United States.

For America it was the golden age, but the horizon is rising

storm clouds - half of what was produced in the world, the United States had to sell the other half, while the other half had no money, no gold. Yet often they are understood measures and reconstruction activities in Europe, the main focus is on lending, the main source of economic recovery. In reality the loans have played death.

The West Germany has been at the forefront of this boom followed by Italy and France.

The subtlety plan is that these projects were neither dictated by the offer or nor chosen beneficiary. They were the result of close cooperation absolutely necessary; of both as the Marshall Plan was not charity: the recipient must contribute matching funds in return.

One condition went exclusively to European governments, in a conjuncture leaving as the post-war: ensuring internal stability, without which no program could evolve so as not squandering funds. Today, nothing stops the State, including Europe, to go on a road known to be in his own house, which made America the middle of the last century in Europe.

Throughout history, few heads of state were able to sign a bill of such importance - said on April 3, 1948, when the Marshall Plan came into effect, US President Harry S.Truman said: "The United States do their power to put the world economy on its feet. Our policy is not directed against a specific country or any political doctrine, but against hunger, poverty, chaos. "

Country	1948/49 (\$ millions)	1949/50 (\$ millions)	1950/51 (\$ millions)	Cumulative (\$ millions)
Austria	232	166	70	468
Belgium and Luxembourg	195	222	360	777
Denmark	103	87	195	385
France	1085	691	520	2296
West Germany	510	438	500	1448
Greece	175	156	45	376
Iceland	6	22	15	43
Ireland	88	45	0	133
Italy and Trieste	594	405	205	1204
Netherlands	471	302	355	1128
Norway	82	90	200	372
Portugal	0	0	70	70
Sweden	39	48	260	347
+ Switzerland	0	0	250	250
C Turkey	28	59	50	137
🚟 United Kingdom	1316	921	1060	3297
Totals	4,924	3,652	4,155	12,731

They were the pillars on which would be built Marshall Plan. The financial support for countries destroyed by war, the supply of food and not Country 1948-1949 (\$ millions) 1949-1950 (\$ millions) 1950-1951 (\$ millions) Cumulative (\$ millions) 232 166 70 468 Austria and Belgium Luxembourg 195 222 360 777 Denmark 103 87,195,385 France 1085 691 520 2296 West Germany 510 438 500 1 448 Greece 175 156 45 376 Iceland June 22 15 43 Ireland 88 45 0133 Italy and Trieste 594 405 205 1 204 Netherlands 471 302 355 1 128 Norway 82 90,200,372 Sweden Portugal 0 0 70 70 0 39 48,260,347 0,250,250 Switzerland Turkey United Kingdom 28 59 50 137 921 1316 Totals 3297 1060 49 12 731 4924 4155 3652.

The eradicate hunger, civil reconstruction and restore hope to people. These were the objectives former US Secretary of State and Nobel Peace laureate, George C. Marshall. But the United States have made a condition of potential beneficiaries of US support: "Before the US government to make efforts to improve the situation and help the Europeans to take the first steps on the new road to rehabilitation, European countries should reach consensus on the urgent needs they have and how they will act so that US government actions have results." Between 1948 and 1952, 16 European countries have benefited from credits, goods and services, which at the time totaled \$ 12.73 mld.US. Only in 1949, the newly established Federal Republic of Germany flowed 1,0 mld.US \$.

Thus, Marshall a Plan stimulated millions of Western Europeans to get to work and rebuild what had been destroyed in the war. A few years later, production was even higher than before the Second World War

The Marshall Plan was transferred in Europe 1.2% of American GDP, or 3.5% of European GDP (without taking into account military aid) form of loans, grants and subsidies material or food. The benefits of national programs and the Marshall Plan enabled Western Europe to exceed the prewar development environment since 1949, which means that the reconstruction was completed. The US aid granted under the Marshall Plan "strengthened liberal economic and political structures promoted by Western governments."

By implementing a set of measures and actions called "Marshall Plan" consumer market of Western Europe was put under full US control. But the most important factor in the economic recovery of Europe was permissibility European producers in the US market.

Because of this created real opportunities for Europe to recover its investment, and restart the engines of the economy through the further development of domestic demand. After a careful analysis of the economic and financial situation of the Western countries after finding that the USSR intended to extend its hegemony to the Atlantic, Americans have decided to become more involved, economic, financial and military in the area't do more fully felt the presence and support in all aspects, west European integration as the only appropriate and viable alternative to post-war crisis.

Moreover, US Secretary of State indicated that desirable as a "federation of European economic" (in reality, a customs union), modeled on the Benelux, had created a European market, which was beneficial for US products, another reason to increase US interest in helping Europe.

Marshall understood that the real value of the kind of decisive action we initiated was not quantitative but psychological. Only confidence provided by strong government leadership that looks beyond the present, would reassure markets. He was right. When economic miracle transformed Europe, this happened due to a combination of government commitment happy to economic growth and private investment.

The condition was "economic integration and the coordination" of these countries, individual governments of the countries that were willing to participate in the project. Marshall released this proposal after returning from the Conference of Foreign Ministers in Moscow, where they discussed the problems of postwar reorganization of the world.

But Marshall Plan generous enough European countries that have suffered massively because of a terrible war, was rejected by the Soviet Union and the communist bloc countries in future. In fact, Stalin feared that the Marshall Plan only served to conquer Europe and weaken Soviet influence on the continent.

Consequently, the Soviets exerted increased pressure on the countries they occupied (including the number and Romania) and especially to those who have expressed interest. While the West could leave the economic morass that followed the war, Romania and Eastern countries have fallen prey to totalitarian communist regimes, being at the discretion of the USSR. Refusing Marshall Plan, they have lost all the political and economic progress.

On July 11, M. Gafencu, former Minister of Foreign Affairs, appreciating the opportunity officially refused, the French government sent a memorandum on behalf of three Romanian opposition parties: PNT, PNL and PSI led by Iuliu Maniu, Constantin Bratianu and Constantin Petrescu. In it is written: "Romania official, who refused to go to the Paris conference, is not the real Romania.

The government imposed the nation was forced to act, once again, against the desire of the Romanian people. "In counterbalance the Marshall Plan created a new body called Cominform supposed to replace the famous Comintern of Stalin dissolved on 15 May 1943.

Offering the aid, Marshall insisted that the beneficiary states to agree on a common program of economic recovery: Americans want Europeans to take ownership concrete realization of the plan of reconstruction. Here, the Soviets argued that the program will fail Cominform Marshall Plan, considered as a tool chosen by the United States in order to improve world domination by US imperialism.

The plan included measures to revive the manufacturing sector, expansion of foreign trade, international financial stability, promote economic cooperation, including all kinds of measures to establish a fair exchange rate and elimination of trade restrictions.

Therefore, the "Marshall Plan" was directed not only to solve economic and political problems of the countries of Western Europe, but also to maintain their US exports. US finance not only increase US exports, including agricultural products shall surplus, but also made it a condition of aid by reducing trade barriers that have fostered free trade in Europe.

At the same time, due to the formation of the European Union of payments, mutual payments have been liberalized. The mechanism consists of the US in implementing the provision of loans of a European state. These loans were perceived to be able to pay imports from the US. European state receives cash in local currency, revenues from sales of its imports on the domestic market as well as charges.

In parallel, the State may grant national economic agents (companies or governments) investment credits in an amount two times higher even than the credit he received. The beneficiary State had to prove also to self-financing, without resorting to the issuance of money. Through this agreement, the US has encouraged a significant effort and capital equipment deliveries in Europe. Subtlety plan was that these projects were neither dictated by the offer or nor chosen beneficiary. It was the result of close collaboration between both absolutely necessary since the Marshall Plan was not charity: the recipient must contribute matching funds in return.

One condition went exclusively to European governments, in a conjuncture so labile, like the after war: ensuring internal stability, without which no program could evolve and even danger squandering funds.

The Marshall Plan for the reconstruction of postwar Europe is considered by most experts as one of the most successful international cooperation projects impacting leap in the development of European civilization and become a model rescue. Rare are the world economic crisis for the resolution of which may not appeal to history and its lessons.

The secret of success was the new system of currency conversion which resulted in more capital effects. Simply put: a German importer in the United States pay for the order in Deutsche Mark, but US exporters was not paid unattractive German mark, but getting dollars from funds allocated to the Marshall Plan.

Concluding on the US role in the reconstruction of postwar Europe logic tells us that the United States should do all that depends on them to help the world to return to economic health normal, without which it may be possible no political stability nor sustainable peace.

Today, the same mission and moral obligation to European countries hit hard by the crisis and the European Union has. Regarding the consequences of US aid on the preparation conditions Western European integration, Jean Monnet said that the higher the Marshall Plan is "the action that led to what we have come in the European Union".

Indeed, the Marshall Plan contributed effectively and substantially in size, structure, opportunities and conditions for granting aid to:

- Create favorable premises and integration framework;
- Shortened reconstruction and hastened recovery;
- Strengthened alliances and the economic, political and military offensive off Western and communism;
- Reinvigorated US economy and strengthening its leadership, marked the beginning of Western European integration.

According to many experts, the plan reconstruction of Europe was one of the great successes of the twentieth century, as its application has generated positive and lasting effects in the recipient countries.

Obviously, beyond its economic significance, exceptional Marshall Plan was a huge political role in supporting European democratic model. History Rene Girauld, President of the International Commission for the History of International Relations, said that the Marshall Plan was a "economic weapon" that served perfect political goals in that it specifically targeted stopping communism, its expansion to the West and led to cohesion area in question. The Marshall Plan was a crucial factor in the recovery of material and spiritual reassurance of Europe, and even if there has led to a customs union has the great merit of Europeans have learned the lesson of cooperation and free trade.

The best results of the American initiative stood out and turned behalf of the Secretary of State Marshall in an unmistakable reference to all major international aid operations. But thus cannot render absolute intake minimize the Marshall Plan and the leading role of states and peoples of Western Europe, so when preparing and engaging, but especially in that of continuing.

The Marshall Plan would have known results. Experts say that recognizing and appreciating the true value, meaning and force shock original Marshall Plan, must nevertheless gave Caesar what's Caesar's, to say loud and clear that integration, before everything and everyone, and that idea that historical fact is the work of Europeans.

## Conclusion

Accordingly, the Marshall Plan contributed effectively and substantially in size, structure, opportunities and conditions for granting the aid, creating favorable premises and integration framework; shortened reconstruction and hastened recovery; strengthened alliances and the economic, political and military offensive off Western and communism; He revived the American economy and consolidated its leading position; it marked the beginning of Western European integration.

Altogether, cannot render absolute intake minimize the Marshall Plan and the leading role of states and peoples of Western Europe, so when preparing and engaging, but especially in that of continuing. So integration before everything and everyone is the idea that historical fact is the work of Europeans.

The Marshall Plan - has a program of massive investments applied by developed countries to poor countries neighboring to raise their savings in exchange for promoting their goals strategic geopolitical control over resources and others (e.g., military) interests (promoting "democracy, rights and freedoms, etc. ").

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