

[Nicolaus Mills: Remembering George Marshall](#)

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The following is excerpted from a talk Nicolaus Mills will deliver Oct. 24, 2009, at the Marshall Foundation. It is part of a symposium marking the 50th anniversary of the General George Marshall's death.



Fifty years ago this month, George Marshall, army chief of staff throughout World War II and in Winston Churchill's words, "the organizer of victory," died as a result of a crippling stroke. Marshall, at the request of Eleanor Roosevelt, was responsible for planning the funeral of President Franklin Roosevelt, but he had no desire for a state funeral of his own. In the instructions he wrote out for the arrangements at his own death, he forbade a funeral service in the National Cathedral, ruled out lying in state in the Capital Rotunda, and asked that no eulogy be said for him.

This modesty was consistent with the way Marshall conducted his life and is one reason why he is not as well known today as many of the generals who served under him. Throughout World War II, Marshall refused all United States decorations. Even at his Pentagon retirement ceremony in 1945, he relented only long enough to allow President Truman to add a second Oak Leaf cluster to the Distinguished Service Medal he had been awarded in 1919.

In this era of self-promotion, Marshall's personal example sends a powerful message. But as the United States struggles with how to engage in nation building in a post-9/11 world, it is Marshall's crowning achievement as secretary of state—the post-World War II Marshall Plan that from 1948 to 1952 provided the foreign aid essential to Europe's economic recovery—that really shows what national modesty can achieve.

The Marshall Plan was never modest in price. In its first fiscal year it absorbed more than 10 percent of the entire federal budget. Its total cost of just over \$13 billion was roughly 1 percent of America's GNP at the time. But in its emphasis on multilateralism and consultation, the Marshall Plan was modest in a way no other foreign aid undertaking in American history has been.

At the core of the Marshall Plan's modesty was the idea that aid must be given in consultation with the countries receiving it; if foreign aid were given without consultation, the aid would stir resentment and seem condescending. No Marshall Plan principle was more important. As Marshall told the Senate Foreign Relations Committee in January 1948, "We will be working with a group of nations, each with a long and proud history. The people of these countries are highly skilled, able and energetic, and justly proud of their cultures."

Marshall made sure that as a practical matter the European nations receiving Marshall aid were in a position to say how it would be allocated. Outlining his plan in his 1947 Harvard commencement speech, Marshall declared that “it would be neither fitting nor efficacious for our Government to draw up unilaterally a program designed to place Europe on its feet economically.” He and the Marshall Planners followed through on this idea, and as a result the Western European nations receiving Marshall Plan wasted little of it.

From this belief in consultation, the corollary that followed was that foreign aid must be given regionally and not to a favored nation in the hope that other nations would follow its example. Marshall was outspoken on this subject, insisting in his Harvard speech that “the program should be a joint one, agreed to by a number, if not all, European nations.” The temptation to make a favorite of England, which had received two-thirds of all Lend Lease aid, \$31 billion, during World War II, plus a special low-interest \$3.75 billion loan after the war, was high. But Marshall resisted it, and his efforts bore fruit.

During the Marshall Plan years, America went out of its way to avoid pitting the nations of Western Europe against each other. As a consequence, with American backing, the Western European nations entered into cooperative arrangements—ones they had avoided prior to World War II when they viewed one another principally as rivals. In 1950 the Marshall Plan nations, aided by an American grant of \$350 million, formed a European Payments Union that allowed them to avoid the problems arising from having weak currencies that were not readily convertible. In 1951, helped again by America, six European nations—West Germany, France, Italy, Belgium, the Netherlands, and Luxemburg—formed the European Coal and Steel Community.

Only trust in America allowed such diplomacy to work, so it was essential to Marshall for aid to be given with the long-term interests of the nations receiving it in mind. George Kennan, a key aide to Marshall in the late forties, stressed this point in memos he wrote while the Marshall Plan was being developed. Despite being the leading advocate of a containment strategy toward the Soviet Union, Kennan was convinced that an aid program like the Marshall Plan would fail if it simply became a defensive reaction to the threat of communism. American aid, Kennan wrote, should aim “to combat, not communism, but the economic maladjustment which makes European society vulnerable to exploitation by any and all totalitarian movements.”

Marshall embraced Kennan’s advice wholeheartedly. “Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos,” he declared, and until the Korean War became a drain on the American economy, the United States stuck by this commitment.

This concern for Europe did not make Marshall naïve about how American largesse could be abused, however. Part of the modesty of the Marshall Plan was accepting America’s limits and insisting American aid would be for a defined period of time rather than open-ended. In his 1948 Congressional appearances, Marshall emphasized that his plan was not going to be a perpetual drain on the American economy: “Taking as the basis genuine European cooperation—the maximum of self-help and mutual help on the part of the participating European countries—the program aims to provide these countries, until June 1952, with those portions of their essential

imports from the Western Hemisphere which they themselves cannot pay for,” he testified. Marshall’s time table assured skeptical legislators, especially Republicans worried about a balanced budget, that America was not going to be helping Europe indefinitely.

Marshall’s time table also had a positive effect on Europe’s governments. If they did not make good use of American aid before the Marshall Plan ended, their elected leaders knew they would lose an opportunity they would not get back. The European nations felt pressured to think ahead, and Paul Hoffman, the Republican auto executive who was the first Marshall Plan administrator, was able to push them to speed up the integration of their economies. As he put it in a 1949 address, there was a very short window of time when American dollars would be available “to cushion the inevitable short-run dislocations which a program of integration will involve.”

Finally, Marshall believed that the aid America supplied Western Europe should be equal to the challenges Europe faced. He wanted his plan to be a remedy for Europe’s economic woes, and because of this commitment, there was an enormous difference between Marshall Plan aid and the help that America provided Europe in the post- World War I era and then in the 1940s through the United Nations Relief and Rehabilitation Administration (UNRRA). Those aid efforts were fundamentally stopgap measures, designed in the spirit of charity. By contrast, the Marshall Plan was in essence the New Deal internationalized. Its aim, in Marshall’s words, was to achieve “the revival of a working economy,” not simply offer relief.

In his Harvard speech, Marshall went out of his way to stress the far-reaching goals of his plan. “Any assistance this Government may render in the future should provide a cure rather than a mere palliative,” he argued. “Such assistance, I am convinced, must not be on a piecemeal basis as various crises develop.” In his testimony before the Senate, Marshall made the same point. Congress had to choose, Marshall concluded: “Either undertake to meet the requirements of the problem or don’t undertake it at all.”

Congress accepted the challenge, remembering how right Marshall had been when he spoke about America’s military needs before and during World War II. But what Congress and America got in return for their money was genuine change. As the Economic Cooperation Administration, the agency that ran the Marshall Plan, noted in its final report, “Industrial production, 64 percent above 1947 and 41 percent above prewar; steel production nearly doubled in less than four years; coal production, slightly below prewar but still 27 percent higher than in 1947; aluminum, copper, and cement production, up respectively 69, 31, and 90 percent from 1947; food production, 24 percent above 1947, and 9 percent above prewar levels.”

Such success would not be easy to duplicate today. In dealing with today’s failed states, especially in countries without a democratic history or a highly developed civil service, a modern Marshall Plan would face far different challenges from those of the post-World War II years. The Marshall Plan benefited enormously from the time and place in which it occurred as well as an American electorate that, thanks to World War II, believed in sacrifice.

But what makes the Marshall Plan’s legacy relevant for us in 2009 is not that it provides easy-to-follow instructions for helping nations out of poverty. Its legacy comes from the discipline and pragmatic modesty it would impose on American foreign policy a time when, thanks to 9/11, the

temptation to overreach, to blur the difference between we can and we must, is greater than at any point since the start of the Cold War.

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