

The “Marshall Plan” Speech--George C. Marshall (June 5, 1947)

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Essay by David Roll (guest post)*



George C. Marshall

Few realized it at the time but the “Marshall Plan” speech, delivered by Secretary of State George Marshall in Harvard Yard on the afternoon of June 5, 1947, was revolutionary. Regarded by many as an act of incredible generosity, the offer of assistance by the United States to rehabilitate post-World War II Europe was actually inspired by economic self-interest and national security. As events unfolded, Marshall’s speech laid the groundwork for a new order in Europe, arguably a new world order. Henceforth, the US, by far the world’s most powerful nation, would export its brand of organized capitalism and its values to protect and sustain itself at home.

The speech took root following a midnight meeting (April 15, 1947) in the Kremlin between Marshall and Joseph Stalin, Premier of the Soviet Union and secretary-general of its Communist Party. During the previous five weeks, Marshall, as Secretary of State, had been conferring in Moscow with the foreign ministers of Great Britain, France, and the Soviet Union over the future of Germany whose resurgence--especially its capacity to produce coal, steel, and machinery--was the key to Europe’s recovery from the bombed-out devastation wrought by the Second World War. So far the talks had gone nowhere. Soviet Foreign Minister Vyacheslav Molotov had continued to insist that the Soviets were entitled to extract enormous reparations from Germany which Marshall believed would consign the country to becoming an “economic poorhouse in the center of Europe.” Marshall hoped that a direct appeal to Stalin would break the stalemate.

Marshall’s hopes were dashed. Stalin appeared indifferent, content to “let matters drift.” Marshall came away from the meeting convinced that Stalin’s goal was to allow Germany and the rest of Western Europe to slide further toward economic ruin and political and social chaos, thus rendering the region ripe for Soviet influence if not domination.

On the flight back to Washington, Marshall talked “of the importance of finding some initiative to prevent the complete breakdown of Western Europe.” The day after he arrived, April 28, 1947, Secretary Marshall addressed the nation by radio. “The recovery of Europe has been far slower than expected,” he observed. “Disintegrating forces are becoming evident.” Borrowing a medical metaphor, Marshall concluded with a call for immediate action that presaged the Marshall Plan speech at Harvard. “The patient is sinking while the doctors deliberate. Action... must be taken without delay.”

The next morning Marshall met with 43 year-old George Kennan, America’s foremost expert on the Soviet Union, whom Marshall had appointed head of the State Department’s new Policy Planning Staff. In diplomatic circles, Kennan was famous for having authored the so-called “long telegram,” the most influential analysis of Soviet postwar intentions that has ever been written. Marshall explained that the US needed to take the lead in developing a plan for the recovery of the European economies. He gave Kennan two weeks to come up with a set of recommendations which they each knew would involve a large infusion of American dollars and in-kind assistance. Did the secretary have any further instructions, asked Kennan? Marshall’s legendary response: “Avoid trivia.” With “this instruction,” wrote Kennan, “and with the weight of the world on my shoulders, I went to work.”

It took three weeks, not two, for Kennan to deliver an outline of a plan for European recovery. “[T]o restore the economic health and vigor of society,” he wrote, the US would furnish financial and other assistance *but only if* the European recipients agreed to abide by two fundamental principles: first, the initiative for assistance “must come from Europe, the program must be evolved in Europe, and the Europeans must bear the basic responsibility for it”; and, second, the request for US support must “come as a joint request...not as a series of isolated and individual appeals.” These two provisos--European initiative/responsibility and joint action--were key underpinnings of what became known as the Marshall Plan, critically important first steps toward the integration of the West European economies.

While Kennan was the brainy analyst behind the Marshall speech it was six-foot-six, big-boned Will Clayton who infused Marshall with an enhanced sense of urgency. Clayton, a self-made millionaire who had headed the world’s largest cotton trading firm, was an expert in international trade. Working for the State Department at a dollar a year, he had just returned from an inspection trip to Europe. In a memo to Marshall he warned that because the European economy was on the verge of imploding it could in turn lead to an economic depression in America. “Let us admit right off,” he wrote, “that our objective has as its background the needs and interests of the people of the United States. We need markets--big markets--in which to buy and sell.” Clayton also insisted that the recovery plan “should be based on a European economic federation,” akin to a multistate free trade customs union.

There was no time to lose. On the morning of May 28, Kennan, Clayton, and others working on the plan for European recovery trooped into Marshall’s office to discuss the strategy for introducing the plan. It soon became apparent from Marshall’s questions that he was principally concerned with whether the offer of US assistance should be confined to Western Europe and the UK or made available to all of Europe, including Soviet Russia and its satellites. Arguing that the offer should be made to all of Europe, Dean Acheson, undersecretary of state, declared that the US “should not assume responsibility” for dividing Europe. Yes, interjected Marshall, but what if the Soviets accept our offer and then obstruct and undermine the overall plan through

endless negotiations? Kennan responded definitively. Stalin will never accept the US plan, he said, because a condition of participation entails exposure of the Russian economy to Western inspection. "Play it straight," he counseled. If satellite nations are tempted to accept, he said, Stalin will block them because he needs them as border buffers and trading partners. Though it was a gamble, each of Marshall's advisers recommended that the assistance be offered to all of Europe.

Late that afternoon the secretary's office contacted James Conant, President of Harvard, and informed him that Marshall would like to accept a long-standing invitation to accept an honorary degree at the commencement exercises on June 5 and "would be pleased to make a few remarks and perhaps 'a little more' at the [afternoon] alumni meeting" in the Yard. The "little more," as historian Forrest Pogue wrote, "was to have global reverberations."

Like many great state documents, the seven double-spaced typewritten pages that became famous as "the Marshall Plan speech" had more than one father. Marshall initially asked Kennan and Charles "Chip" Bohlen, another Soviet expert in the State Department, to independently prepare drafts of the speech. Then, as Marshall recalled, "I grew restless and dictated one of my own, and the end result was very much a combination of all three." Apparently, the speech was never shown to President Truman in advance of its delivery.

According to "The Harvard Crimson" a "crowd of 15,000 showed up in the Yard not so much in expectation of seeing history made, as simply in awe of the man." With his "dime-store" reading glasses perched on his nose, Marshall looked down at his text and moved quickly to the subject of his talk: the urgent need to rehabilitate the European economy. While his tone was flat and understated, revealing little passion, his words were powerful. Without help from America, he declared, Europe faced "economic, social and political deterioration" that would have adverse consequences on the American economy and her national security. It follows, he said, that the US "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." The "remedy" he said lies in "restoring the confidence of the European people in the economic future of their own countries and of Europe as a whole." Marshall made it apparent that he was talking about a massive infusion of economic assistance when he declared it "should provide a cure rather than a mere palliative."

Following Kennan's advice, Marshall's famous lines concerning who in Europe would be entitled to assistance and who would not was accomplished by not ever mentioning the Soviet Union or Communism by name. "Our policy," proclaimed Marshall, "is directed not against any country or doctrine [he crossed out "Communism" in Bohlen's draft] but against hunger, poverty, desperation and chaos." Its aim is to revive working economies where "free institutions can exist" and to be made available to "any government that is willing to assist in the task of recovery." The next line was the first to be followed by applause, scattered as it was. "Any government which maneuvers to block the recovery of other countries cannot expect help from us." In other words, the Soviets would not be entitled to US assistance if they acted to prevent one or more of their satellites from participating in the recovery plan. The ensuing line produced loud, sustained applause from the audience: "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."

Marshall's final words of substance incorporated Kennan's guiding principles and Clayton's notion of a European "federation":

It would be neither fitting nor efficacious for this 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 role of this country should consist of friendly aid in the drafting of a European program and of later support of such a program.... The program should be a joint one, agreed to by a number, if not all European nations.

The speech was supposed to have lasted for no more than ten minutes. It actually took 12 minutes and ten seconds to deliver.

Immediate reaction to the speech in the US was muted. James Conant wrote that he "had not understood" the significance of the talk when he heard it. The "Washington Post" and "The New York Times" ran front-page reports of the speech but neither acknowledged its historic importance.

By contrast, Ernest Bevin, the British foreign secretary, understood at once the implications of Marshall's speech. On the night of June 5, Bevin listened in London to a BBC radio broadcast from Washington which reported the substance of Marshall's speech from an advance copy and its implications for Europe. The broadcast reporter, Leonard Miall, read selected excerpts and characterized the speech as "exceptionally important," propounding a "totally new continental approach to the problem of Europe's continental crisis similar to the grandeur of the original concept of Lend-Lease." To Bevin's ears, Marshall's words and Miall's analysis were exhilarating. "It was like a lifeline to sinking men," he said. "It seemed to bring hope where there was none. The generosity of it was beyond our belief."

The next morning, Bevin rang up Georges Bidault and Molotov, the foreign ministers of France and the Soviet Union. The three agreed to meet in Paris "to discuss how Europeans might devise a European recovery plan, its requirements, and the parts they would play in it." As Kennan predicted, Molotov refused to cooperate and eventually walked out. Stalin prevented his satellites from participating. Europe was divided and the Cold War began. On July 12, 1947, representatives of the 16 nations in the so-called Western bloc convened in the Quai d'Orsay to agree on a common program for economic rehabilitation. The conference had no precedent in the history of Europe.

It would take months before the broad strokes articulated in Marshall's speech became a fully developed plan and a year before the plan passed through Congress and became law. The financial and in-kind assistance began flowing out of the United States in April 1948 and continued until the end of 1951 when it was terminated six months earlier than planned due to the Korean War. The total amount actually provided by the Marshall Plan to help finance the recovery of Western Europe was \$13.2 billion. In today's dollars, the amount spent would be approximately \$135 billion; as a percentage of GNP (5.2) it would exceed \$800 billion.

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*The views expressed in this essay are those of the author and do not necessarily represent the views of the Library of Congress.