

The European Response to the Marshall Plan Initiative

As laid down by the Contract of Deposit between the OECD and the European University Institute signed on 4 March 1992; all OEEC/OECD material is transferred to the Historical Archives for its permanent preservation and for access to the public. Among the deposits sent were the documents from the Committee for European Economic Co-operation (CEEC) which were only transferred in microfiche format, consisting of 18 files (43 individual fiches) and cover the period 1947-1948. Unfortunately only one series of material was transferred; the Working Papers of the CEEC coded CEEC/OD, further accruals are not expected. The study of these documents sheds light on the conception of the OEEC. Photocopies can be made directly from the fiche.

An Historical Perspective

When the US Secretary of State, George C. Marshall visited Harvard University on June 5th 1947 to receive an honorary doctorate, he took the opportunity to speak of the collapsed state of the war-ravaged European economies. In his address he offered US aid to help Europe's economic recovery. The aid was offered to all Europe irrespective of political ideologies, but on condition that the Europeans work out a programme of self-help to be implemented in co-operation. The dismal economic situation made Europe easy prey for the perceived aggression of the Soviet Union in expanding its influence in Western countries. Marshall's speech which evolved into an aid programme known as the Marshall Plan was motivated by political, strategic and economic self-interest along with the spirit of the New World which prized above all else the liberty of the individual.

The Marshall Plan placed great emphasis on close co-operation among the Western European nations, which in turn would stabilise democratic institutions. The aid programme also made it possible to utilise the German workforce

ed by humanitarianism, for until Europe got back on its feet and became self-supporting there could be no political or economic stability in the world. While economic considerations cannot be overlooked they were clearly intertwined with



The OECD's Secretary General, J.L. Paye, the OECD's Italian representative, L. Fontana Giusti and EUI president Emile Noël in November 1992

and industrial skills of the Bizone in reconstructing Europe, while also keeping its aggressive tendencies in check and preventing Soviet influence in the area. Economically, the US was deeply concerned that the desperate economic situation in Europe would create another depression in the States. Already there was huge disruption in international trade, the large export surplus worried the State Department as European nations could not pay for imports which in turn would cause unemployment in the US. Furthermore, at this time disparity between production in the US and the rest of the world had become staggering in proportion, in fact production levels in Europe were running at 50% of that for 1938.

However the measures of relief and reconstruction as suggested by Marshall had only in part been prompt-

security and political considerations. During 1946 in particular a negative analysis of the aims and ambitions of the Soviet Union on the international stage had found acceptance in US Government circles. However the American public still had to be convinced. This became the main workload of Allen W. Dulles, Christian Herter and George Kennan in his role as expert on Soviet affairs, who promoted the Marshall Plan as an effective European recovery programme necessary for American security. A committee for the Marshall Plan was established to convince a sceptical public and Congress that the proposed aid was within their own resources. The work of Dulles, Kennan and Herter was successful and the European Recovery Programme (ERP) emerged in December 1947. The strength of European Commu-

nism was also undoubtedly a stimulus to acceptance of their proposals. The rationale for this programme was that it was a recovery not a relief programme, the focus was to be increased production, increased exports so as to close the so called dollar gap and thus Europe could pay for imports and suppression of inflation by encouraging economic stability.

European leaders met to discuss Marshall's offer, led by the Foreign Ministers of France, M. Georges Bidault and the UK, Mr. Ernest Bevin in June 1947. Negotiations to include the Soviet Union in a European recovery plan failed when on 2 July, the Foreign Minister. M. Molotov finally expressed the Soviet veto against any kind of collaboration for a collective plan for the revival of Europe. The Soviets were opposed to any loss of economic and national independence and to a Europe divided by those countries that followed France and Britain and those excluded. In response to Molotov's decision, joint invitations from Britain and France were sent to 22 European countries, excluding Spain to participate in a Conference in Paris to draw up a programme for economic recovery to be sent to General Marshall.

Molotov's propaganda against the Plan, "The...Marshall Plan is a disguised programme to transform Western Europe into an arsenal of American expansion" was successful in pressuring the countries of Eastern Europe in boycotting the Conference. In total, 14 countries accepted the invitation; Austria, Belgium, Denmark, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland and Turkey. The Conference for European Economic Co-operation began in Paris at the Quai d'Orsay under the presidency of Bevin on July 12th 1947. The delegates were either Ministers of Foreign Affairs or Trade in their national governments, or their countries' ambassadors in Paris. The Conference created a Working Committee chaired by M. Hervé Alphand which submitted a report

to the Conference on July 13th, on the basis of which the Committee for European Economic Co-operation (CEEC) was instituted by a resolution of the Conference. It was charged with creating an account of the resources and needs of the 16



The arrival of Marshall Plan aid

participating countries and Western Germany for the period 1948-1951. M. Bouchinet-Serreules was appointed as Secretary-General and on 16 July the CEEC met for the first time.

CEEC: Embryo of the OEEC

This first meeting of the CEEC was addressed by MM. Bidault and Bevin and held at the Quai d'Orsay but they later withdrew with the Chair being taken by Sir Oliver Franks, all subsequent meetings were held at the Grand Palais. The first task of the CEEC was to create four sub-Committees known as Technical Committees, for 1. Food and Agriculture 2. Fuel and Power 3. Iron and Steel and 4. Transport (inland and maritime). Four others were later established for Timber, Manpower, Financial Experts and Balance of Payments. These sub-committees assisted in finalising the General Report to convey the European response to the offer of foreign aid along with information from participating countries. The Rapporteur-Général Hervé Alphand presented the general report to the

Conference on European Economic Co-operation on September 22nd where it was approved. A group was subsequently sent from the CEEC including experts from the Technical Committees to visit Washington to present the Paris report to the US administration. These proposals lead to the passing of the Foreign Assistance Act in 1948, whereby the ERP was to be administered by the Economic Co-operation Administration (ECA) with a European office in Paris with Averell Harriman as its head. The passage of this Act through Congress was further guaranteed by the Communist take-over of Czechoslovakia. In the meantime the Technical Committees continued to meet and established more permanent and formal secretariats. In February 1948 the CEEC met again to discuss the proposals laid down before Congress by the US Government regarding a recovery programme, where a joint communiqué was issued suggesting a permanent organisation to manage US aid and monitor progress, as proposed in the Paris Report.

The Conference for European Economic Co-operation met on March 15th to discuss this new development, and a Working Party was appointed to draw up a Constitution for this new organisation and began its work in drafting a multi-lateral agreement in terms of the structure and status of such an organisation, it immediately set up three committees to consider (1) the functions and structure of the future Organisation, (2) administrative, financial and judicial questions, (3) the form of the multilateral agreement. The Convention for European Economic Co-operation establishing the OEEC was signed by the Foreign Ministers of the 16 participating countries and the Commanders-in-chief of the Bizone, on the 16 April 1948, under the terms of which they agreed to work in close co-operation in their economic relations with each other. By this Convention the Member countries of the Organisation formally recognised that their economies were inter-dependent and that the prosperity of one

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depended on the prosperity of the others. They undertook to join together to make the fullest collective use of their individual capacities and potential so as to increase production, modernise both their agricultural and industrial equipment and practices, reduce barriers to trade among themselves and restore currency stability. Finally they agreed to work towards world freedom of trade and complete convertibility.

The first task of the new Organisation was the drawing up and execution of a joint recovery programme which stipulated the importance of co-operation and mutual help in strengthening economic links, the necessity for increasing production, stabilising currencies, using all available manpower resources and liberalising trade. Basically the essential function of the OEEC was

to provide the machinery for the European Recovery Programme to be put into effect.

Content of CEEC documents in Florence

The material we have in the Historical Archives consists of; summary records of meetings of the CEEC, examination of reports of the Technical Committees, questionnaire to be addressed to the various to the various European governments for the purpose of a reply to General Marshall, Report for presentation to US in response to the Marshall Speech (Paris Report), Statements by participating countries' delegates, liaison between the CEEC and the UN and other inter-governmental organisations, Executive Committee Minutes concerning the work of the Technical Committees, material on the Working Party (and its three Committees) and the draft-

ing of the multilateral agreement establishing the OEEC, functions of the Organisation to be included in the Charter, statements on Customs Union by participating countries and liberalisation of trade, plenary sessions of Group of Alternates (previously Committee for Co-operation), resolutions transmitted to the Council of the OEEC and draft texts of Convention articles and details of signing of Draft Final Clause of the Convention establishing the OEEC. Further information on the CEEC is also available in the OEEC fonds, see the Historical Archives' web pages for more information: <http://wwwarc.iue.it>.

A printed inventory is available on site in the inventory room attached to the reading room in Villa Il Poggiolo.

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