

## ***The Original Intent of the Marshall Plan: Aid, Trade and Containment***

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(Originalist Angles does not necessarily endorse the views expressed by authors in individual articles.)

### **Introduction**

On June 4, 1947, George Marshall delivered a commencement address at Harvard, which became the precursor to the famous Marshall plan.<sup>1</sup> With this policy, he hoped to achieve three objectives: provide Europe with economic aid, further United States trade, and contain the spread of communism. The policy proved to be so effective that it accomplished all three of its objectives and became viewed as the greatest foreign policy that the United States of America had administered.

The Marshall Plan was necessary because of World War II, which left Europe in ruins. After the war, George Marshall, a Five-Star General, was appointed Secretary of State. During this time, he crafted the European Recovery Act, later known as the Marshall Plan. This policy was announced on April 3, 1948, almost three years after the European theater concluded. The European Recovery Act aimed “To promote world peace and the general welfare, national interest, and foreign policy of the United States.”<sup>2</sup> Although this was a pro bono policy for the United States, it sought national gain from assisting these countries. For example, to receive aid

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<sup>1</sup> The Editors of History.com, “Soviet Union Rejects Marshall Plan Assistance | July 2, 1947 | HISTORY,” *History.com*, November 13, 2009, [www.history.com/this-day-in-history/July-2/soviet-union-rejects-marshall-plan-assistance](http://www.history.com/this-day-in-history/July-2/soviet-union-rejects-marshall-plan-assistance).

<sup>2</sup> Department of State. 9/1789- (Predecessor), and National Archives and Records Administration. Office of the Federal Register. 4/1/1985-. “An Act of April 3, 1948, Public Law 80-472, 62 STAT 137, to Promote World Peace and the General Welfare, National Interest, and Foreign Policy of the United States through Economic, Financial, and Other Measures Necessary to the Maintenance of Conditions Abroad in Which Free Institutions May Survive and Consistent with the Maintenance of the Strength and Stability of the United States.” US National Archives Research Catalog, National Archives Catalog, April 3, 1948, [catalog.archives.gov/id/299857](https://catalog.archives.gov/id/299857).

from the Marshall Plan, countries were required to take “all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers.”<sup>3</sup> This guaranteed the United States would profit from this plan. It was designed so that the sixteen countries involved were solely trading with each other and the United States. In order for this to be enforced, the Economic Cooperation Association (ECA) was established. This committee oversaw and directed the spending of each country.<sup>4</sup> This ensured both the United States and Europe would reap the full benefits of the Marshall Plan.

### **European Aid**

After World War II, Europe was decimated. Cities, regions, and lives were devastated. The European governments could not afford to repair what had been destroyed due to their vast investment in the war effort; however, this was not a problem facing the United States. During the war, the United States remained mostly intact, save its military base at Pearl Harbor. In fact, it could be argued that World War II lifted the United States out of the Great Depression as it employed many citizens and bolstered its economy by manufacturing machinery and producing many products necessary for the war effort. Because of this, the United States had the funds to lend over twelve billion dollars (now \$100 billion) to sixteen countries between 1948 and 1952.<sup>5</sup> At the beginning of the Marshall Plan, financial aid was extended to all countries of Europe including the Union of Soviet Socialist Republics (USSR). However, the USSR rejected the offer as well as many Eastern European countries like Poland, Romania, and Bulgaria who continued

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<sup>3</sup> Ibid.

<sup>4</sup> The Editors of Encyclopedia Britannica, “Marshall Plan | Summary and Significance,” *Encyclopedia Britannica*, December 19, 2018, [www.britannica.com/event/Marshall-Plan](https://www.britannica.com/event/Marshall-Plan).

<sup>5</sup> No author listed, “The Marshall Plan: Its History and Global Impact - World History.” *World History Journal*, Janeiro Media Group, April 23, 2025, [worldhistoryjournal.com/2025/04/23/the-marshall-plan-its-history-and-global-impact/](https://worldhistoryjournal.com/2025/04/23/the-marshall-plan-its-history-and-global-impact/).

with communism rather than accepting American aid.<sup>6</sup> Thus, while Western Europe flourished, Eastern Europe sank deeper into individual poverty.

### **United States Benefit**

Secretary of State George Marshall saw the threat the Union of Soviet Socialist Republics (USSR) posed to Europe and was willing to combat this danger at all costs. After World War II, the USSR looked as if it might be on the road to expansion. This fear was intensified as the USSR occupied East Germany. To combat this threat, the United States realized they needed to promote capitalism rather than wait for their opponents to advance communism. The Marshall Plan sought not only to establish capitalism but to further international relations.

It achieved this by promising aid that would be vital in restoring industrial and agricultural production as well as establishing financial stability and expanding trade. This came in the form of grants and loans from the United States.<sup>7</sup> This combination of monetary assistance encouraged the European Nations to build their economy in turn alleviating their debt to the United States. As they would have their own flourishing economies, Western Europe would not become dependent on the United States for assistance in the future. It also benefited the United States economically in both the present and the future through friendly relations and trade.

One of the main benefits of this policy to the United States was the “progressive elimination of trade barriers.”<sup>8</sup> Because so many European cities were destroyed, they became reliant on the United States to provide exports necessary for rebuilding their infrastructure and economies. The United States began exporting higher quantities of food, fuel, and machinery to

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<sup>6</sup> See n. 1.

<sup>7</sup> See n. 2.

<sup>8</sup> Ibid.

Western European countries.<sup>9</sup> This assistance slowly began boosting the countries' Gross Domestic Product (GDP) and at the conclusion of the Marshall Plan in 1952 these countries along with the United States enjoyed a fifteen to twenty percent increase in their GDP.

In addition to the increase of their Gross Domestic Product, the United States and the European countries built long lasting relationships with one another, furthering reconstruction as these countries now had allies and partners with whom they could trade. These positive relationships, pursued by the United States, laid the groundwork for the creation of the North Atlantic Treaty Organization (NATO) as these countries became united against communism.<sup>10</sup> Many of the relationships created through the Marshall Plan and NATO continue today and play an active part in foreign policy.

### **Communism and Containment**

In the wake of World War II, the spread of communism loomed in the minds of Americans. Many feared that communism would engulf Western Europe as it had Eastern Europe. This was another aspect the Marshall Plan addressed; its hope was to stop the spread of communism before it began. To do this, it aimed to bolster democratic governments by providing them with economic stability in the hopes that they would be less susceptible to radical movements like communism.

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<sup>9</sup> Marshall, George. "Historical Documents - Office of the Historian." State.gov, Office of the Historian, Foreign Service Institute, United States Department of State, 24 Sept. 1947, [history.state.gov/historicaldocuments/frus1947v03/d256](https://history.state.gov/historicaldocuments/frus1947v03/d256). Accessed April 24, 2025.

<sup>10</sup> Robert Wilde, "Containment: America's Plan to Stop Communism," *ThoughtCo*, October 29, 2018, [www.thoughtco.com/what-was-containment-1221496](https://www.thoughtco.com/what-was-containment-1221496).

In 1947, President Truman announced that the United States of America would be supporting Greece and Turkey with the means, “essential for economic and political recovery.”<sup>11</sup> This became known as the Truman Doctrine, which was effectively a containment policy.<sup>12</sup> However, Truman’s policy differed from Marshall’s policy as it provided military troops as well as economic aid to quash existing communist uprisings in Greece and Turkey that had resulted from war. In contrast, Marshall’s design was strictly preventative and accomplished itself through peaceful means without the need for military force. Both the Marshall Plan and the Truman Doctrine were effective containment policies, but they addressed containment in different ways under different circumstances.

Because of the Marshall plan, ideas of communism were dispelled from the minds of Western Europeans as they enjoyed the benefits of a capitalist society. For example, by the end of the Marshall Plan, industries were producing twice the number of products they had during the year prior to World War II.<sup>13</sup> Communism was successfully confined to the USSR and all its puppet states. This plan proved to be so successful that during the Cold War, none of the countries receiving aid from the European Recovery Program faced the threat of a communist uprising.<sup>14</sup>

### **Conclusion**

The Marshall Plan proved to be a great success as it restored European countries after World War II, furthered American trade, and contained the spread of communism to Eastern Europe. The effects of the Marshall Plan surpassed the four years it was in administration (1948

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<sup>11</sup> Harry Truman, “Truman Doctrine (1947),” *National Archives*, September 28 2021, [www.archives.gov/milestone-documents/truman-doctrine#transcript](http://www.archives.gov/milestone-documents/truman-doctrine#transcript).

<sup>12</sup> No author listed, “Containment and the Marshall Plan,” *Ushistory.org*, 2019, [www.ushistory.org/us/52c.asp](http://www.ushistory.org/us/52c.asp).

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

– 1952). The United States of America continued to have friendly and prosperous relations with the countries it had aided. As for European benefit, the sixteen countries that were provided with financial aid enjoyed and furthered their prosperity and avoided Eastern European communism. Without the Marshall Plan it is difficult to imagine how different Europe would look and how altered the American economy would be. The Marshall Plan was a definitive triumph that proved itself necessary to abate the destruction of World War II.