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**THE MARSHALL PLAN AS THE BEGINNING OF
EUROPEAN INTEGRATION**

HOW THE AMERICANS STEERED THE EUROPEANS TOWARDS INTEGRATION

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Abstract

The Marshall Plan was brought into life to rebuild Europe after World War II (WWII). It is, therefore, mostly known for its main goal: European recovery. However, the Americans had another goal besides stabilizing the European economy. They wanted to integrate Europe. In this thesis I will be discussing the European integration process from 1947 till roughly 1950. It is well known that the Americans had a big influence on post-war Europe through the Marshall Plan and thus on Europe economically, but to what extent did they contribute to the European integration process? A large amount of literature has been written about the Marshall Plan and the American involvement, and many authors touch upon the subject of European integration. In this thesis, however, I will solely focus on this question by giving an analysis of how this post-war time frame has been significant for the European integration process.

By discussing the main American ideas behind the Marshall Plan, but also through a proper analysis of the events and policy decisions, I hope to sketch a clear image of the American involvement in Europe at that time. I will try to determine how successful the Americans were in using the Marshall Plan to encourage European integration.

Key words: Marshall Plan, United States' foreign policy, post-war Europe, integration, European cooperation, (dollar)aid, CEEC, OEEC, the Paris Conference of 1947, Truman Administration.

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Introduction

After the major destruction of World War II, Europe was politically and economically unstable. Countries had suffered immense losses, infrastructure was broken, and cities and towns had to be rebuilt from scratch. Furthermore, means of communication were destroyed, and there were food shortages all over Europe. All of these factors influenced how Europe functioned politically, but most of all, economically. Europe had to recover economically, which meant that American aid was more than welcome. The Marshall Plan was considered by the Americans for European recovery for many reasons, but it also had to solve one of the main financial problems in Europe, namely the dollar-shortage (Norton et al. 700-701).

This dollar-shortage emerged within Europe because the Europeans mainly imported products from the United States after the war. This one-way economic trade between the United States and Europe cost the Europeans many dollars. There was a fear that the Europeans might even run out of them. If that happened, they would not be able to buy more American products that they needed for their recovery. The post-war reconstruction had to continue and a financial crisis had to be prevented (Milward 3-5). "The Truman Administration believed that the crisis would either destabilize the continent and hand it to the Soviet Union by undermining post-war European recovery or that it would drive European nations to control their demand for dollars by resorting to autarkic policies" (Newton 391). The Marshall Plan had to solve this fear of disruption of the recovery of the continent.

It was clear that the Truman Administration was willing to provide financial aid to help Europe recover economically. An economically strong Europe would hopefully lead to an integrated Europe. A stable, thriving, and united Europe would create more safety in the international sphere and thus be a great ally for the United States. George Marshall's speech at Harvard on June 5, 1947, announced the start of the European Recovery Plan. Before this speech, the focus of American officials was on European economic recovery, but they also already hinted at European cooperation or even integration. At some events, the Marshall Plan was already foreshadowed. An example of this is the speech by Under Secretary of State Dean Acheson for the Delta Council in Cleveland in May, 1947. Acheson hinted that a form of support would have to get Europe back on track in the near future, as it was the responsibility of the United States to act upon the unstable situation of Europe (Van der Beugel 47).

The introduction of the European Recovery Plan by George Marshall was more than a form of help to reach economic recovery: it was a call for European integration. As Daniel

Barbezat argues: "The Marshall Plan ... was the beginning of the attempt to jump-start the cooperative effort of European economies and end the malaise of restrictive, bilateral trade" (33). The program focused, among others, on economic recovery through European integration. Encouraging integration became a part of U.S. policy towards Europe. And that is exactly what I will be discussing in this thesis.

The research question that accompanies this thesis is: how successful were the Americans in their effort to use the Marshall Plan as a tool to encourage European integration? The sub-questions that are used to help answer this main research question are: what were the American reasons for encouraging the European integration process after World War II?; how did the Americans try to use the Marshall Plan to stimulate European integration?; how was an official organization established and how did this organization and thus the overall outcome of the Marshall Plan fit in the view of the Truman Administration and the U.S. Congress on European integration?

In the first chapter, I will be discussing the reasons why the Americans encouraged the European integration process after World War II. These reasons shaped American foreign policy at that time. It was the basis for their involvement with which they wanted to achieve a stable and peaceful Europe in the long term. These reasons create a framework that can be used to assess how successful the United States was in encouraging European integration. I will point out these reasons in chapters two and three as well to refer back to why certain policy decisions were made. The second chapter will mainly discuss how the Americans used the European Recovery Plan to urge the Europeans towards a form of permanent integration. It was important for the Americans that European cooperation would not become a short-lived unified attempt to reach common goals in the short term. This would have to prevent American intervention in Europe later on. Integration beyond short-term cooperation would, according to the Americans, be reached through an official organization, but would not have to be limited to that. In the third chapter, I will be analyzing the final part of the completion of the Marshall Plan and the establishment of the first official European organization, the Organization for European Economic Co-operation (OEEC). Moreover, I will discuss how the Marshall Plan and its permanent organization lived up to American expectations.

Integration in itself might be a vague word, and therefore I will first give the definition of integration that I use throughout this work. When I started writing this thesis, I already had some idea of the word of integration. It would mean to be working together in different aspects of society to eventually work to some joint agreement in a certain policy field. While reading sources, I encountered in Ernst van Der Beugel's work *From Marshall Aid to Atlantic*

Partnership: European integration as a Concern of American Foreign Policy, Roy Price's definition of integration. He described integration not as a synonym to unification, but according to him, "integration is understood to mean a dynamic process of joint efforts to deal with joint problems" (225). This is quite a broad interpretation. Therefore, it is good to look more specifically at what this would mean for integration in Europe.

In the case of European integration, integration would also mean working closely together permanently. According to the Americans, European recovery should not become a temporary joint effort to reach common goals in the short term. Europe had to be reorganized, and the way European countries related to each other had to be changed for the future. Working closely together under an official European organization and going towards some kind of European Union (as how we know it today), or at least a part of Europe that would have been more united and cooperative is something, that I argue the Americans would have envisioned when they visualized an integrated Europe. The Marshall Plan was the first joint effort on a larger European scale. The Americans used this to their advantage and tried to steer the Europeans to the kind of integration they wanted to realize.

In this thesis, I will be doing a literature review of the beginning of the post-war cooperation between the European countries and I will explicitly focus on how the Americans tried to encourage this collaboration. I will discuss this by means of a mostly chronological explanation of the main events between roughly 1945 and 1950 to illustrate how these post-war years have contributed to the beginning of the European integration process. In doing this, I will mainly analyze secondary sources, but I will also be discussing George Marshall's speech at Harvard as a primary source. I will use the main arguments of the authors of the secondary sources and respond to them to explain my view on the subject of European integration and American involvement.

The most important secondary sources I used within this thesis deserve a proper introduction, and therefore, I will discuss shortly what their main arguments are in this discussion. An author that I discuss quite often, especially in the first chapter, is Geir Lundestad. This Norwegian historian gives in his two books, *The United States and Western Europe Since 1945* and *"Empire" by Integration: The United States and European Integration, 1945-1997*, many reasons why the Americans intervened in Europe and its integration process after World War II. In the first book, Lundestad uses these reasons, among others, to explain his point of view on the "'Empire' by invitation" (1) policy that, according to him, marked post-war Transatlantic cooperation. In the second book, Lundestad argues that the United States, by encouraging integration in post-war Europe, behaved differently from

other 'empires' in history. However, as Lundestad claims, the United States did not promote European integration for solely European purposes. The Americans had a stake in an integrated Europe as well.

Other authors like Michael Hogan, Nicholas Lewkowicz, and Greg Behrman are also very important in the discussion about the role of the United States in European integration. In his book, *The Marshall Plan: America, Britain, and the reconstruction of Western Europe, 1947-1952*, Hogan gave an analysis of the three decades after World War I in which he argued that the Marshall Plan was a way for the Americans to create a new economic order at home and abroad. In *The German Question and the International Order, 1943-48*, Lewkowicz focused on Germany's role within post-war Europe and within the Marshall Plan. He argued that: "The new balance of power system and the formation of the spheres of influence were configured in Germany" (1). Finally, Behrman argued in his book, *The Most Noble Adventure*, that the Marshall Plan "was an unabashedly strategic enterprise framed in the shifting and perilous geopolitical context of its time. Offered in humility as a hand in partnership, it sought nothing less than to refashion Europe in fundamental and audacious ways" (5). In this book, Behrman tried to give a narrative history of the entire Marshall Plan.

Two authors who are important within my thesis for their different thoughts on the Marshall Plan are Ernst H. van der Beugel and Allan S. Milward. Their valuable arguments will be discussed in chapters two and three. Ernst van der Beugel was a Dutch diplomat who was closely involved in establishing the Marshall Plan and in the integration process of Europe. It might be for his close observations that he is quite optimistic about the effects of the Marshall Plan on the overall integration process. Some might argue that he is too biased because he was so closely involved in the process. However, I would argue that because he was so closely involved and he was part of the overall network created during the post-war years, and the establishment of the plan, his experiences and written words are of great value and give profound insights into this discussion. I have, nevertheless, taken into account the risk of bias during this analysis.

In his book, *From Marshall Aid to Atlantic Partnership: European Integration as a Concern of American Foreign Policy*, Van der Beugel describes the main events of two decades of cooperative efforts of European and American politicians after World War II. He mainly argues that despite their differences, European countries came further in the process of integration due to the Marshall Plan. Furthermore, Van der Beugel argues that the post-war years have been of great importance for the beginning of European integration and the processes that would follow.

Alan S. Milward, a prominent British historian, argues in his book *The Reconstruction of Western Europe 1945-51*, that it would take until 1950 to form a beginning of "an adequate international framework for reconstruction" (470). The events that happened before 1950 cannot be seen as part of the later 'success' of institutionalized European integration. He also argues that "integration, as it evolved between 1947 and 1951, was a formalization of interdependence significantly different in form and final implication from anything previously seen" (494). Milward argues, however, that the Organization for European Economic Co-operation was a failure of its own ideal and that therefore the organizational integration started later on, namely after 1950.

I will try to add to the discussion of the European integration process in post-war Europe by looking at the extent to which the Americans fulfilled their goals and pursued their motivations on European integration. I will carry this out through a close analysis of the main events and through a thorough discussion of the main arguments of academics in order to get a clear and precise answer to the question: how successful were the Americans in their effort to use the Marshall Plan as a tool to encourage European integration?

Chapter 1: The American Reasons for Encouraging European Integration

The United States intervened actively in the European integration process during the early stages of the post-war period. A united, or at least integrated, Europe would be of great importance for ideological, economic, military, and political reasons. Different authors have emphasized different reasons for American engagement in the early stages of the process of European integration. Based on an analysis of relevant literature on this topic, this chapter will answer the question: what were the American reasons for encouraging the European integration process after World War II?;

First of all, this chapter will shortly discuss the start of the Cold War and the American fear of communism. After that, the relevance of the rehabilitation of the European economy will be pointed out. I will, furthermore, explain the memory of World War I (WWI) and the key role of Germany, which are inextricably tied together. Finally, the desire for the imposition of American ideals on Europe will be clarified. All these reasons help create a framework to measure how successful the Americans were in encouraging the start of European integration. Throughout this thesis, I will refer back to these reasons and how they refer to American policy decisions.

1.1 The Start of the Cold War and the Fear of Communism

The Second World War disrupted the entire international system and thus also unsettled Europe and its main powers. This disruption led to an overall economic, political, and military weak Europe (Norton et al. 700). In this chaos, the two main post-war powers: the United States and the Soviet Union, had different ideas and solutions for a weak Europe. In this thesis, I will only focus on the American approach towards Europe because this is most relevant for answering my research question.

For the Americans in the 1940s, the fear of communism and the USSR's rising power were important reasons to get involved in European politics. The Soviet Union was emerging as a big power in the international sphere, and its ideology was spreading alongside its growing influence. Several events fostered the fear of communism. One of them was the suppression of democratic governments in Eastern European countries. An example of this is Poland's occupation by Soviet troops and the fact that they implemented a pro-communist

regime in 1945. This went against the idea of self-determination of states supported by the United States and discussed at the Yalta conference in February 1945 (Norton et al. 704-705).

The reports of the American diplomat in Moscow at that time, George F. Kennan, also fostered the fear of communism. He wrote Article X (also named the Long Telegram) in which Kennan explained how Stalin described that the international world was threatened by capitalist greed (Kennan). This report "fed a growing belief among American officials that only toughness would work with the fanatical Soviets" (Norton et al. 705). Since diplomats and ambassadors are the eyes en ears of the officials back home, the Truman Administration took this telegram very seriously. As a solution to the fear of the communist ideology, the Truman Doctrine was created by the United States. This policy was designed to contain communism. The containment policy had to "unite military, economic, and diplomatic strategies to prevent the spread of Soviet communism and to enhance ... [the United States'] security and influence abroad" (Norton et al. 706). The Marshall Plan was an economic and diplomatic tool part of the Truman Doctrine (Gimbel 1).

The Truman Administration would say that they acted upon (perceived) communist expansion, but critics would argue that it was a way to sell American imperialism. Proponents of the Truman doctrine (and thus, the Marshall Plan) would argue that this program would create a world based on free principles (Jones 36). Something could be said for both points of view because both superpowers wanted to expand their zones of influence and did this through different programs (e.g., the Truman doctrine or the Molotov Plan).

The Truman Doctrine, according to Jones, "signaled the administration's willingness to engage in the struggle against communism on all fronts—social, political, and economic as well as military. The doctrine is also argued to be the first strike in the Cold War" (Jones 36). The Truman doctrine and financial aid were used for the first time to prevent communist aggression towards Greece and Turkey. This kind of financial aid, for military purposes but especially for economic purposes, was prominent in the Marshall Plan, and this form of economic aid became the leading U.S. foreign policy during the Cold War (Merril 27).

As argued by Geir Lundestad, the Marshall Plan "was not formally directed against anyone, in reality, the containment of the Soviet Union formed a most important part of the background for the Plan" (21). The encouragement of integration by the Americans was not without reason in relation to communism. They were under the impression that an integrated Europe would be stronger, and thus better equipped to defend itself and withstand the spread of communism (Lundestad 21-22).

1.2. The Rehabilitation of the European Economy

The Americans believed that economic integration was important to make Europe strong politically. Economic stability was not only necessary for political reasons, but also to maintain Western Europe as an important market for American goods, which required Europe to remain part of the capitalist system (Lundestad 15-16). On top of that, solving the dollar-shortage in Europe would allow European countries to keep importing American goods.

An integrated Europe would open up new markets for the United States and prevent another American financial crisis. The United States was able to fully recover economically from the Great Depression because the war industry resulted in immense growth in their economy. This wartime production caused a close relationship between the government and the private sector (Lewkowicz 50). The U.S. government "signed out more than \$100 billion in military contracts, more than the entire national product for the year 1940" (Lewkowicz 50). Only 45% of this military industry was funded through taxes, which leads to the fact that "by 1946 the national debt had soared to 130 percent of the gross national product (\$269.4 billion)" (Lewkowicz 50). By 1945, the American economy manufactured fifty percent of the world's assembled products and held twenty-three billion dollars in gold reserves. Lewkowicz argues that this special economic situation had political connotations: "as a capitalist nation unable to expand its internal market by redistributing its national income to absorb the surplus, the United States would have plunged into a depression that only World War Two brought to an end" (50).

The Americans were, therefore, eager to open up international markets and create an open world economy ruled by themselves. As argued by Lewkowicz: some American officials were in favor of an open world economic system (50-51). Dean Acheson, Under Secretary of State, concluded after the war that: "the only hope of maintaining world stability, social, political, and economic, was to adopt measures which will lead to an expansion of production, consumption, and trade" (Lewkowicz 51). This meant that economic integration in the world, and thus also in Europe, was favored. The Truman Administration believed that foreign investments were necessary to have a fruitful economy at home. To reach economic connections with Europe, the European trading partners had to be reintegrated "into a multilateral system of world trade" (Hogan 26). As argued by Hogan, this can be seen as "a world view rooted in political conviction as well as in economic interest" (Hogan 26). This is the only way welfare, and thus protection of the western economy could be secured.

To create an open economy within Europe, trade barriers and tariffs between European countries had to disappear as well. Creating an economic unity, and thus a joined market, out

of all participating countries would be prosperous for the Americans and the Europeans (Lundestad 17-19). Trading with one unity under the same rules is way easier than having separate deals with each country. An integrated Europe could be stronger vis-à-vis the United States. It is important to keep in mind, however, that a strong Europe was something that the Truman Administration desired so the Americans could have an ally against the Soviet-Union.

1.3. The Memory of World War I and the Key Role of Germany

It was due to the lessons of World War I that the Americans were convinced they should treat Germany differently this time to create long term stability on the continent. After WWI, high reparation debts had to be paid by Germany. This, together with the Great Depression, which resulted in economic instability, led to the rise of extremist ideas. Moreover, intervention in Europe during WWI was a big mistake, according to many Americans. It was expected by many Americans that WWI would be the last war on the continent. The Americans' engagement in post-WWI Europe was not fruitful for international stability. Therefore, the Americans decided to stay out of European affairs after WWI, and thus they took a more isolationist approach (Lundestad 22-23).

This isolationist approach, however, was, above all, one of the main reasons to prevent the United States from intervening in European affairs again. After World War I, Europe did not fully recover economically (Lundestad 23). The economic situation of the interwar years, in combination with resentment towards the way the Germans had been treated, was seen as a breeding ground for political extremism that Hitler used to his advantage to rise to power (Alter et al. 50-53). The Americans had supported the Versailles treaty and thus agreed with the huge reparation payments that were forced on Germany. The Americans were, therefore, eager to help establish a politically and economically stable Europe after WWII to prevent that the Americans had to intervene in Europe again (Lundestad 23). An integrated Europe had to create more stability on the continent and was meant to maintain peace for the long term and to make sure that the Europeans developed a common interest beyond their national interests. The Marshall Plan had to be a new approach, in which the lessons of post-WWI would have to be taken into account.

Besides the role of Germany concerning the lessons of World War I, Germany was also important for the economic revival of Europe. So, the motivations for rehabilitating Germany were political as well as economical. The Americans strongly believed that a precondition of the revival of the overall European economy was that the German economy

needed to be revamped. As Nicholas Lewkowicz argues, "American economic interests in Western Europe were inextricably linked to the revival of Germany" (50). Integration was an important tool to make the economic rehabilitation of Germany, which was necessary for European recovery, acceptable to other European countries.

As a consequence of its economic importance, Germany had a big role in the European integration process. Lewkowicz also stated that "the State Department planners stressed the virtues of Germany's dependence upon the markets and resources of Western Europe. The rehabilitation of Germany was a pivotal instrument in the creation of an open world economy" (51). This open-world economy guided by the United States was something that the Americans wanted to achieve. Germany was not only an important instrument in achieving European collaboration, but it was also a key element in creating an economical leading position for the United States.

The reintegration of Germany in Europe was thus stressed as very important by American policymakers (Lundestad 23). The Truman Administration had to find a way to make the Germans economically strong, so Europe would be able to recover economically. At the same time, however, they had to find a way to contain Germany to take away fears of other European powers that might oppose revamping the German economy (Lundestad 23). A supranational European framework could serve this purpose because it would give enough guidance and space to let Germany grow economically and politically under the eyes of the other European powers.

1.4. Implementing the American Ideals

Finally, the American encouragement of European integration was also motivated by the idea that the Americans wanted to advise Europe to take over the 'American model' of federalism. This American model was, according to some American congressmen, something universal that could be implemented in other countries. It was, therefore, brought up often in relation to the Marshall Plan (Lundestad 14). These ideas about the American model were mostly brought up at the end of the 1940s, but they kept being important within U.S. foreign policy during the entire Cold War. The Marshall Plan had been the start which "had aimed to remake Europe in an American mode" (Killick 3).

America itself was a successful example of this federal model. Its states created an internal market and free-trade possibilities. In combination with centralized (in the case of Europe, supranational) institutions that guided social stability and economic growth, America demonstrated that once implemented; this model would be a prosperous success. The

Marshall Plan called for all kinds of cooperation within institutions and the creation of them. This would be reached by tying the European countries economically to each other just as the American states integrated economically (Hogan 27&90). Nguyen Thi Thuy Hang agrees with this. She states that: "from its own experience of development from thirteen colonies to a successful federal model and market economy, the United States highly hoped to conduct its economic and political system in Europe through the course of European integration" (88). One can see that the reasons for implementing the American model were closely tied to the economic integration process. As Hogan argues: "one applying the American idea of federalism could enjoy the benefits of a market big enough to justify modern methods of cheap production for mass consumption" (37). This was something that the Americans wanted to achieve in Europe: a stable economy that could function as a market for American consumer goods.

I would argue that the idea of superiority and being an example for the rest of the world, and thus the willingness to implement its own model on Europe, is rooted deeply in American society. The idea of a 'city upon a hill', introduced by John Winthrop, but most of all, the paternalist role of the U.S. in the world that flowed out of this idea is something that has driven this country throughout history. The Americans created the Marshall Plan as a recovery program and not a long-term commitment to Europe. It was mainly meant to help Europe to stand on its own feet in the international community. The United States functioned as a caretaker for war-torn Europe. By creating a western ally, they would eventually protect their own needs. Although European integration might not have ended up completely the way Washington wanted it to (e.g., a united states of Europe). It is still impressive how the United States was able to create a mutual understanding in another part of the world, which aligned with her own ideas and ideals (Lundestad 15-16).

In conclusion, there were multiple reasons for the Americans to encourage the creation of an economically and politically integrated Europe: the role of communism, economic benefits, the German question, and the encouragement to adopt the American federal system. The United States tried, because of these reasons, to set the Europeans on a track of European integration.

In the discussion of the different reasons, it became clear that all those reasons are closely connected, and they are reinforced by each other. The revival of the European economy was tied to the German question. In how to cope with Germany in a European framework and to make German integration and recovery possible, the Americans took

lessons from their experiences in the wake of the First World War. After that, they had not been able to build lasting peace, and this was something they wanted to accomplish after WWII so that they did not have to intervene in Europe again. The Cold War in Europe and the fear of Soviet expansion were also important driving forces for some American officials to revamp and encourage European economic recovery. According to them, an economically weak Europe could fall for the communist ideology. Moreover, integration was considered to be important to contain Germany within the European framework. Furthermore, economic integration was seen as the most important tool to create an economically strong Europe. To achieve this, American officials argued that it would be best to encourage the Europeans to adopt the American model of federalism on European states as its main ideal.

In the next chapter, the introduction of the Marshall Plan and the European reaction to it will be discussed. Furthermore, the main ideas of the conference that the Europeans set up and attended after Marshall's speech will be discussed, and the role of the United States in this conference will be analyzed.

Chapter 2 - The Marshall Plan as the Plan for European Integration

“It is logical that the United States 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.” – George C. Marshall, June 5, 1947, Harvard

This segment of Marshall's speech in 1947, in which he proposed the European aid program, already shows that the Truman Administration was willing to go further than economic recovery to revive Europe. The Marshall Plan (officially named the European Recovery Plan) was brought into existence to make sure Europe would get back on its feet economically. The Truman Administration, however, also had intentions to support integration within Europe. This chapter will demonstrate how the Americans tried to use the Marshall Plan to stimulate European integration.

As discussed in the previous chapter, the United States had several reasons to encourage European integration. The Marshall Plan had to become a framework in which these goals could be realized. This chapter will discuss Marshall's speech itself and how it was perceived in Europe. Furthermore, I will discuss the road to the Paris Conference. This conference was organized by the European countries to formulate a common European response to the offer done by George Marshall. Finally, the different ideas about the inclusion of Western Germany within the plan will be analyzed, and the conclusions of the Paris Conference will be discussed.

2.1. The Speech with Which It All Started

George Marshall, Secretary of State from 1947 till 1949, pursued his speech at Harvard on June 5, 1947. In his speech, he discussed the political and economic situation of war-torn Europe. He spoke at an American university, but the event was not represented as something 'big'. The people who were present that day, however, knew directly that "the carefully worded remarks [of Marshall] on the political and economic crisis in Europe marked an important event" ("The Marshall Plan Speech").

In his speech, the Secretary of State introduced an aid program for Europe and stressed that this had to be a joint program, politically dominated by European cooperation. He stated that the basis for some sort of aid plan "is the business of Europe." Furthermore, he argued that the initiative "must come from Europe, 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 so far as it may be practical for us to do so" (Marshall). The goal of this suggested plan was that although it was initiated by the United States, Europe had to actively set its goals and pursue it as a multilateral plan, which would result in economic recovery for the long term. "The need was for an integrated program rather than a collection of random or isolated measures" (Arkes 51). The emphasis on a joint plan already shows how the Americans wanted to achieve at least a certain kind of European cooperation, because European integration was, according to the Americans, necessary to achieve European recovery.

2.2. The European Response to Marshall's Speech

Although the speech was given in America, it was very clear that this speech was meant for European leaders. They had to jump in on this possibility that was presented to them via this speech. Foreign radio stations picked up the speech, and this is also how the British foreign secretary, Ernest Bevin, heard about it. Although Great Britain was fond of its independence, it also had to face the consequences of the war. Bevin was, therefore, convinced that the Marshall Plan was "a lifeline to sinking men. It seemed to bring hope where there was none" (Behrman 71). By leaving the initiative and approach to the European countries, Marshall brought his 'plan' with sincere respect for the independence of the European countries. Therefore, countries like Great Britain, that would never beg for dollars could start thinking about this kind of aid.

After Marshall had delivered the speech, the State Department sent copies to all European countries. Thus soon, all leaders were up to date of Marshall's intentions. Just like Great Britain, France also responded relatively positive. France was politically and economically unstable, and because of this, Marshall's speech was "received mostly with gratitude and acclaim" (Behrman 71-72). The rest of Western-Europe, including Western-Germany, was also very positive about the plan. There was, however, uncertainty about how Western-Germany would be incorporated into it. Smaller powers, like Norway and the Netherlands, were enthusiastic as well, but they feared that the Great Powers would have a larger say in the plan. So they were worried that the Great Powers would not look after their interests (Behrman 71-73).

It was, according to Marshall, up to Europe how financial aid was given and spent. Although there was a lot of optimism for the plan, the feeling of vagueness regarding the plan was present in European society. Leaders were uncertain about how to interpret Marshall's words. The importance of the plan was nevertheless clear. The Europeans, however, were

mainly focused on the problem of the dollar-shortage. So, they were not necessarily focused on the "call for some agreement among the countries of Europe and for a joint program" (Van der Beugel 56). The Americans were aware of this and thus had to jump in on this problem.

2.3. The Road to Paris

Ernest Bevin and the French foreign minister Georges Bidault decided to get together shortly after Marshall gave his speech. "To meet Marshall's call for European cooperation, they agreed on the concept of forming steering committees for reconstruction. These committees would promote European cooperation and coordination in key areas such as coal, food, steel, and transport" (Behrman 80). This was the first time the European countries started to deal with problems in these key areas collectively on a larger scale, but only because the United States made it a precondition for a substantial amount of aid. Attempts on a smaller scale were made earlier, for example, when the Benelux countries themselves decided to participate together in a customs union in 1944.

During this meeting, Bidault and Bevin also agreed that they should invite the Soviets and countries in the Soviet-Union's sphere of influence to the recovery plan as well (Behrman 80). There was already an open invitation from the Americans. However, the Soviets declined and prohibited other Eastern European countries from participating (Segers 42).

Bevin and Bidault eventually decided to invite twenty-two European countries to participate (together with France and Great Britain) in a joint committee to start European recovery collectively instead of individually (Van der Beugel 67). Although there had been European initiatives to start cooperating, the United States urged, by introducing the Marshall Plan, the start of European cooperation in the form of a collective program in which countries had to participate if they wanted to receive Marshall aid. Out of the twenty-four participating countries, eight¹ declined (Van der Beugel 62). In the end, that would leave sixteen countries that were going to participate in the Paris Conference at the beginning of July, to formulate a joint European response to George Marshall's invitation. The countries to participate in the conference were: France, Great Britain, Austria, Belgium, Denmark, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, and Turkey (Van der Beugel 67).

¹ The eight countries that declined the invitation were: the Soviet Union, Finland, Poland, Hungary, Romania, Albania, Yugoslavia, and Czechoslovakia.

2.4. The Paris Conference of the CEEC and the Role of the United States

The Paris Conference started on July 12, 1947. Here the sixteen states that would join the initiative had to create the basis for this 'European Recovery Plan'. The United States was officially not actively present during the conference. This was mostly because it was, as stated by Marshall in his speech, "the business of the Europeans." However, the United States embassy was eager to keep informal contacts with the participating delegations during the conference. Furthermore, at the end of July, Under Secretary of State William L. Clayton came over to have personal meetings with the involved parties (Van der Beugel 77).

The sixteen states created the Committee of European Economic Cooperation (CEEC). Their task was "to estimate their national foreign exchange needs and [they had to] come up with an estimate for the cost of a comprehensive aid program to submit to the U.S. The draft of the CEEC report, which was completed in August, estimated that these countries together would have a \$29 billion deficit over four years" (Dixon). This was the first attempt of the countries to come to an agreement on aid and can be seen as the start of the European initiative within the Marshall Plan.

Clayton, however, was worried about this estimated amount of aid because this amount of money would never be approved by Congress. Later on, the Truman Administration decided to cut the overall aid to \$17 billion. After all, the Administration had to get support from Congress, and as Arkes states: "if the reduction of a speculative figure could soften some of the opposition to the program, then it seemed to be a worthwhile compromise if indeed it was a compromise at all" (Arkes 56). Seventeen billion dollars was still a lot of money and would help the recovery of the European economy.

The European countries were divided on how they had to spend the aid and whether Germany had to be included. Moreover, all sixteen countries involved had different agendas to pursue. Therefore, the plan had not yet come into an advanced state. The European countries were still too focused on their national interests. The Americans tried to urge the Europeans to overcome their individual interest in setting preconditions for receiving aid.

According to Clayton and the American ambassadors in European countries, internal monetary and financial stability and the creation of a joined market would help Europe recovery economically more quickly. It seemed, however, that the Europeans were not getting to this point by themselves. Clayton, therefore, urged that the State Department had to step back from the idea that the plan had to be completely initialized by Europe. The Truman Administration had to "list the reforms it expected, and make these reforms the quid pro quo of American aid" (Hogan 71). As Hogan states, Clayton personally believed that because the

United States invested billions of dollars in Europe, it had a say and even a "duty" to urge change within Europe and encourage joint relations between the countries participating in the program. Clayton was convinced that this would "lift European trade and production of the morass of bilateralism and restrictionism" (Hogan 71). He also argued that Europe should follow a federation model to increase productivity and to decrease inefficiency. As discussed in the first chapter, the Americans were convinced that bringing their American system to Europe would increase productivity and the working of governments in general. American idealism played a large part in the process of European integration.

There was thus a fear among American officials that Marshall's speech had been too abstract, and thus too open for interpretation. Clayton came, therefore, back to Paris at the end of August. Here he mentioned points which would be important when it came to the final draft of the plan because the Europeans were not making as much progress as the Administration hoped for. Clayton was also worried about the estimated budget. Among others, he stated that "Europe should prove that after the four-year period of the plan it should be able to live without outside assistance" (Van der Beugel 79). This 'proof' would also be important in selling the Marshall Plan to the American Congress, and thus being able to make it law. Furthermore, Clayton urged that the dollar deficit had to be decreased year by year, and participating countries had to create "internal monetary and financial stability" (79).

Clayton's most important point, which shows the encouragement of European integration most clearly, was that he urged for a certain kind of permanent European organization to be documented in a multilateral agreement. As Van der Beugel argues, Clayton put great emphasis on "the necessity of formal recognition by participating countries of their common objectives and of joint responsibility for their attainment" (80). An agreement would lead to a contractual obligation that all participating countries had to uphold to benefit from financial aid (Van der Beugel 80). Eventually, this permanent organization had to take care of things like internal monetary and financial stability but also a joined European market.

During the conference, there were also discussions about taking away trade barriers and tariffs and creating a customs union. There was some agreement on taking away certain trade barriers collectively. However, countries disagreed on the creation of a customs union (Van der Beugel 71-72). Creating a customs union and taking away tariffs and trade barriers, as discussed in chapter one, was something that the Americans aspired the Europeans to do. This would strengthen an open economy and make trade between countries within and outside of Europe (among others, the United States) much easier.

Furthermore, the conference was also the first time that European countries shared data on production, consumption, export, and import. These numbers were of importance for the amount of aid that was given eventually by the Americans. This may not seem as something revolutionary today, but at that time, this was "an unprecedented peacetime exercise" (Van der Beugel 71). This first time of sharing information had some positive effects. It was the first time that national policies and numbers of data could be screened and criticized. Not every country, however, was at ease by sharing these numbers because it would show their weaknesses, but they also became mutually dependent on one another (Behrman 98).

European cooperation, moreover, created "a group of international-minded men" who would work together on different administrative levels. "The affinity between these men who worked in Paris day and night during the summer of 1947, formed an indispensable element for future cooperation" (Van der Beugel 71-72). The participating government officials were urged to think and act like Europeans. Therefore, they could not act solely on national interest. In a sense, the officials had to start functioning as a "European machinery, feeling responsible for a joint venture" (Van der Beugel 72).

2.5. The German Question within the Marshall Plan

All countries had different agendas to pursue, which can also be seen in the case of the German question. The United States, as discussed in chapter one, was eager to urge the Europeans to let Germany recover within a European framework. A stable Germany would be of great importance for the stability of Europe. The western European countries, however, were mostly looking out for their own interests. As Milward argues: "the CEEC did more to emphasize the lack of cooperation between European economies than their willingness to plan in harmony (Milward 70). This focus on individual interests also shaped the CEEC policy on Germany.

France its main point was that it did not want German revival at their expense. They feared that a growing German power would risk their economic growth. This fear created envy by smaller countries like the Benelux, Italy, and some Scandinavian countries that had to profit from a booming German economy (Hogan 63). Although there was some overlap between countries their goals, there were too many different goals to pursue. It was, therefore, difficult to come to a joint agreement on their own. Due to this, the Americans had to intervene to push them towards cooperation.

Great Britain and France argued that German inclusion was not something that should be discussed at the conference. Eventually, Norway, Italy, and the Benelux pushed to discuss the new role of Germany in Europe. These countries were in favor of a more rapid reconstruction of the German economy, which was mostly because of economic interest (Knapp 419). And as the Americans argued, the economic recovery of Germany was essential for a thriving European economy.

On the one hand, the Truman Administration was not very eager to mingle in this sensitive European issue too much; they wanted to let the Europeans solve the issue by themselves. On the other hand, American officials in the Bizone² kept pushing for a bigger place for Germany within the new European framework. As Manfred Knapp stated: "high representatives of the U.S. occupation authorities in Germany and other American officials responsible for West Germany insisted on a full and equal place for Germany in the ERP" (420). As Van der Beugel argues, this was more of an intra-American problem (151-152). It was the discussion between the American Military Government in the Bizone and the Truman Administration on how to hint for German inclusion. This, however, shows that there was a certain American pressure, by its officials, towards European countries to include Germany in a certain way within the Marshall Plan.

Within Europe, it was France against the Benelux countries in this German problem. The Benelux countries wanted German incorporation to be "based on full utilization of existing productivity capacity" (Van der Beugel 72). In contrast, the French wanted to base the incorporation of Germany on a more national plan, such as the Monnet Plan, which had to connect coal and steel areas in the Ruhr and Saar area to boost France its industrial production. At the end of the conference, there was not yet a consensus on how to deal with Germany. However, by using a questionnaire, the ideas of both France and the Benelux were incorporated in the provisional CEEC report. Although a general agreement on Western-Germany was not yet reached, this would mark the beginning of the discussion about how to incorporate Germany in the plan (Milward 73-74). I will further discuss how Germany was incorporated into the Marshall Plan in chapter three.

2.6. The Conclusions of the CEEC Conference

At the end of the conference, the sixteen powers completed a provisional report, which meant that the Europeans could work further on the details but that this was the preliminary finished

² The name for the combination of the American and British occupation zones since January 1, 1947.

report (Behrman 111). The Europeans would focus on developing a permanent organization because the United States urged them to do so. Furthermore, the Americans also encouraged them to focus on the creation of a customs union. Not upholding the effort to reduce tariffs and trade barriers would make the United States reconsider "the aid to such country" (Behrman 107). As Behrman states, "The report did not meet the U.S. hopes for structural reform or monetary cooperation and trade liberalization" (111-112). However, "the sixteen nations pooled their hopes and consented to wager their future, in large part on the United States – but mostly on one another" (Behrman 112). It can be said that an effort was made.

Ernst H. van der Beugel and Allan S. Milward are two authors who think differently about the success of this conference. Ernst van der Beugel is very positive about the role of the CEEC in the European integration process. He was present at the conference and remained closely connected to the policymaking of the Marshall Plan from the European side. The Paris conference and the whole process around it were, according to Van der Beugel, "the primary school for many men who would play a major role in the post-war European scene, with additional loyalties to a broader entity than their own government" (72). Van der Beugel argues that the creation of personal bonds between the participating countries would profit the European integration in the long term.

Moreover, Van der Beugel argues that with the CEEC report, "the basis was laid for great achievements and developments in the Western World. Opportunities were missed, but constructive planning was achieved, and new elements were introduced into European cooperation, which would greatly influence the process of European unity" (81). Not only at that time, but it would shape policy in Western-Europe in the coming years (Van der Beugel 82).

Allan S. Milward claims that "the CEEC had proved an indecisive event. It had done more to reveal the economic and political differences of opinion ... between Western European countries themselves than to create the strategic bloc which Marshall Aid was intended to produce" (89). He, furthermore, stated that the CEEC had to become a "Western European government in embryo (Milward 70). But Milward explained, however, that the CEEC became a less important organization in which economic collaboration would only be temporary. The participating countries only wanted to have immediate gains for the smallest sacrifices as possible (70-71).

I would argue that there is something to say for both points of view. Milward is right in that the European countries were mostly involved in the process for their self-interest, as discussed throughout this chapter. And thus they wanted to do as few concessions as possible.

The European countries had great difficulties in aligning on, for example, the German question or the creation of a customs union. The role of the Truman Administration was, therefore, even more important. They would urge the Europeans to pursue certain goals in exchange for aid.

Even though the Americans had to push the Europeans, the CEEC conference embodied the first cooperative effort of the western European countries. The encouragement of the United States to work together led to the first situation in which these countries had to share data and ideas on common issues. As argued by Van der Beugel, this fostered how European government officials started to think like Europeans. Milward does leave these personal bonds that were created at that time out of his argument, but I would argue that these networks and bonds are important to take into consideration if we discuss the success of the Marshall Plan. There was a basis created for European cooperation. All individual countries were forced into the direction of thinking as a European unity. I would, therefore, argue that despite the overall results of the CEEC might have been limited, there were meaningful steps made in a huge new and complex process, nevertheless.

To conclude, The Marshall Plan was mainly focused on European recovery. However, as this chapter has demonstrated, the American encouragement of European integration was an important component of the Marshall Plan. European integration was encouraged through the plan, and this was also already visible in Marshall's speech. There did, however, not exist a real plan on the American side when Marshall pursued his speech. This was mostly because the Americans wanted to initiate the idea and thus not necessarily force a plan upon the Europeans. Also, a multilateral European plan would make a permanent organization more likely. The idea of a permanent organization was pushed forward by the Americans at the Paris Conference of the CEEC. At this event, the different (mostly) West European countries debated on the possibilities of how to use American aid.

All in all, these negotiations at the conference laid the basis for the European Recovery Plan and fostered European cooperation. Countries had to actively discuss and explain their choices in politics, and together they had to come to a joint plan. However, as discussed, the United States had to keep pressuring the Europeans towards cooperation.

In the next chapter, I will discuss the realization of the first official European organization, the Organization for European Economic Co-operation (OEEC). On top of that, I will analyze to what extent the OEEC and the Marshall Plan were fruitful in fostering European integration at that time and how this lived up to the American expectations.

Chapter 3: The Establishment of the OEEC and the Continuing Process of Integration

The Paris Conference of CEEC ended on September 22, 1947. This did not mean, however, that the European countries were there yet. What followed were more discussions, meetings, and another conference to establish the Organization for European Economic Co-operation (OEEC), the first official European organization. The process of the Americans encouraging European integration was still in motion. Therefore, the question of this chapter is: How was an official organization, which was pushed by the Americans, established and how did this organization and the overall outcome of the Marshall Plan fit in the view of the Truman Administration and the U.S. Congress on European integration?

This chapter will discuss what happened after the CEEC Conference, and how the CEEC fostered the realization of a permanent organization, the OEEC. Finally, I will discuss how far the OEEC and the Marshall Plan can be considered as successful in how they lived up to American expectations.

3.1. The Aftermath of the CEEC Conference

The conference report of the CEEC was signed on September 22, 1947. After that, a small group of government officials was invited to join the American delegation to convince the American Congress to back up the Marshall Plan. This was important because without the permission of Congress, the Marshall Plan would not become law (Bloemendal 59). Van der Beugel argued that the Europeans had a difficult task. The group had to provide additional data and discuss policy matters with the American officials. However, they could not deviate from the CEEC rapport too much, because that would mean that all sixteen countries had to discuss terms together again. The Americans mostly asked questions through letters, and then the Europeans had to explain those choices in the plan (92-97). This did not mean, however, that the experience was not fruitful for the Europeans. Ernst van der Beugel stated that:

"The work of the European groups was considered of great importance by the American officials. For the groups itself ... the experience was more fruitful and constructive. It brought a group of Europeans who were going to play a major role in further European developments, into the closest contact with their American opposite numbers..." (Van der Beugel 97).

The Europeans had the chance to get closer to their European colleagues. Even more important is that the European government officials were there for the first time as European representatives, and not as representatives of their individual nation-states.

There were ongoing debates in Washington. However, the situation in Europe did not get better in the meantime. Therefore, President Truman urged for a quick decision and asked for short-term aid for Europe in November 1947. There came interim-aid, but Congress was still busy discussing the European Recovery Plan. When the Senate Committee on Foreign Relations reported its findings on the bill to the Senate on February 26, 1948, they stated that: "The present bill makes it clear that the extension of aid by the U.S. results from the pledges accepted at Paris and is contingent upon the continued effort of the participating countries to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization" (Van Der Beugel 114). The House hearings on the Committee on Foreign affairs and the debates that followed were similar to the ones of the Senate. There was, however, more focus on European unity during the debates in the House. The Senate adopted the bill by 69 to 17 votes on March 17. Fourteen days later, the House of Representatives also adopted this bill by 329 to 74 votes (Van der Beugel 115). This shows that not only the Truman Administration but also the U.S. Congress urged Europe to stick with the promised multilateral undertakings and the creation of a continuing organization. Most of all, because aid would only be provided as long as these preconditions were to be fulfilled. The U.S. Congress had another important duty in regard to the Marshall Plan: they would yearly approve the amount of aid that was given to the European countries. For this reason, Congress could put a lot of pressure on the European countries as well. It was, therefore, important that the Europeans had to have a good relationship with Congress.

On April 3, 1948, The Foreign Assistance Act of 1948 was signed by President Truman. In the act, Congress stated that:

"Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through a joint organization to exert sustained common efforts as set forth in the report of the Committee of European Economic Cooperation" ('Foreign Assistance Act of 1948' 137).

The act shows, again, that Europe had to unite under one organization to pursue the goals set in Paris in the summer of 1947. It also expressed the ongoing need for the Americans to pursue economic cooperation in Europe for both foreign and domestic reasons and, as discussed in chapter one, it sets the American model as an example for Europe.

3.2. From CEEC to OEEC

According to Van der Beugel, "there was a rising criticism in the United States and Europe of the lack of activity of the European countries in the matters of European cooperation" during the congressional debates (124). The Europeans had been reluctant in scheduling a new conference to discuss terms for a permanent organization. European leaders thought that they could not discuss terms until there was more clarity on the aid of the European Recovery Program (Van der Beugel 124).

The participating European countries were widely criticized, also by Washington Post journalist Ferdinand Kuhn Jr. In his article 'Western Europe is not Holding up Its End of Marshall Plan', he wrote: "The European Recovery Program will mean high prices, taxes, and shortages in the U.S. It will have to overcome strenuous resistance in Congress. The best way to overcome it is for Western Europe to give continuing evidence of self-help" (Van der Beugel 126-127). United States Embassies in Europe were, therefore, asked to discuss with the European leaders what steps would be taken next, especially concerning a permanent organization. The outcome would be helpful in allowing the Administration to make a suitable decision for the amount of aid. They emphasized that any decision made by Congress on the amount of aid might well be influenced by how active Europe was acting (Van der Beugel 127).

As an answer to the Americans asking more active cooperation, France and Great Britain invited sixteen³ countries to come together in Paris once again. Here they created a permanent organization to fulfill the expectations of the Americans. The Organization for European Economic Cooperation (OEEC) was established on April 16, 1948. This intergovernmental organization would have to, among others, "coordinate the Marshall Plan on their side of the Atlantic" and support economic cooperation between the European countries in the years to come (Stern 3). As part of the Foreign Assistance Act, the Americans

³ Austria, Belgium, Denmark, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, Western Germany, and Trieste was also part of the OEEC for a while before it was returned to Italy.

established the Economic Cooperation Administration. This organization had to manage the European Recovery Program in the United States.

3.3. The Successes and Failures of the OEEC

The OEEC was meant to be a lasting organization to pursue integration. It became, however, a relatively short-lived organization and the embodiment of the Marshall Plan in Europe. The OEEC was in charge of the allocation of Marshall Aid dollars. This was, however, taken over by the Americans two years later in 1950, because there was a continuing battle over dollars within the OEEC (just like at the beginning of the creation of the Marshall Plan at the Paris Conference). With this change, the OEEC lost one of her most important tasks, and therefore the organization became less important in the further process of European integration (Van der Hoeven 70-72).

The Americans preferred the OEEC to be a supranational organization. Some of the Europeans, like Great Britain, had no intentions to make it one. The OEEC would, therefore, function as an intergovernmental organization in which countries would work out a way towards a common market (Gordon 1). Within the OEEC, the governments of the participating remained in control. Great-Britain, for example, had difficulties with giving up sovereignty if the OEEC would function by means of a higher form of authority. Other countries, however, were convinced that the OEEC missed important supranational structures, which would create opportunities to bring long-term changes to Western Europe politically and economically (Blair & Curtis 268). Achieving large changes in Europe politically and economically was exactly what the Americans wanted, and therefore they favored a supra-national institution as well. A supra-national system could achieve more goals collectively as states would give up parts of their sovereignty in the decision-making process.

The OEEC did thus not become the organization which the Americans had envisioned. For them, it had to be an organization that would foster European integration and recovery in the long term. But as Allan Milward argues: "Neither by American standards nor by European had the OEEC been able to provide a satisfactory framework for European reconstruction" (195). Therefore, there was a lot of critique towards the OEEC. John Killick argues that: "The fundamental reason for the failure of the OEEC was the unwillingness of individual European countries to sacrifice their priorities for an ill-defined common interest" (136). And as Ernst Haas argued: "Apart from its initial activity in slicing up the pie of the Marshall Plan funds among the sixteen recipient countries, the basic fact concerning OEEC activity is its failure to contribute to long-term integration" (Haas 520). Also, Michael Florinsky aligns with Haas on

this point. He states that the OEEC's "greatest achievement is the allocation of American aid, which powerfully contributed to the economic rehabilitation of Europe. Yet, granted that the OEEC and the EPU have performed ... useful functions, it would be unreasonable to claim that they have brought appreciably nearer the economic integration of Europe..." (56).

The OEEC, nevertheless, did foster closer European integration in other ways. For example, the OEEC helped to set up the European Payments Union (EPU) in 1950. Florinsky already referred to the EPU, and I think it is necessary to look further at this organization within the framework of the American success in encouraging European integration through the Marshall Plan. The establishment of the EPU made currency convertible between the members of the OEEC. As a result, there were no currency restrictions concerning trade, and thus trading was not obstructed by deficits or surpluses on the balance of trade (Van Meurs et al. 41). The EPU, thus, fostered the multilateralization of the payments within Europe. Furthermore, it helped to eliminate trade barriers between the OEEC countries. The EPU had them committed "to nondiscriminatory treatment between themselves on current account (both on merchandise and service transactions) and by raising the percentage of import quotas..." (Schloss 465). As argued in chapter one, the Americans were convinced that European economic recovery was necessary for overall European integration. The EPU made it possible to easily convert currency and took down trade barriers. This supported economic growth in such a way that it made trade between European countries way easier ('European Payments Union'). The EPU helped to support the American goals that had to be reached to foster European integration.

The inclusion of the Federal Republic of Germany in the OEEC can be seen as another success of the Marshall Plan. Although the Truman Administration did not want to mingle too much in this sensitive issue, they had a clear vision for Germany. Incorporation in a system of European countries would give Germany enough space and restraints to prevent envy from other countries. European countries had a lot of difficulties in including Western Germany in the post-war European network. Despite the different opinions on how to incorporate Western Germany in Europe again, the West-Germans were included in the OEEC.

3.4. European integration after the OEEC

The OEEC was eventually taken over by the Schuman Plan and the creation of the European Coal and Steel Community. With this plan, the coal and steel production would come under a 'High Authority', which would be a kind of supranational organization. As discussed in chapter one, this was more like the idea of federalism what the Americans hoped to bring to

Europe. A supra-national body was thus not established immediately by means of the OEEC, but that did not mean the OEEC has not been of great importance for the further process of integration. The OEEC was even a step further than the CEEC conference. The participating countries had to align more and more like a European unity in solving their problems.

The Schuman Plan was a European initiative. It showed, as Van der Beugel argues, "that at last, the policy which aimed at European responsibility for the organization of Europe began to bear fruit" (232). This was not the first big initiative in the direction of American ideals. There had been other creations of new organizational bodies by the Europeans over time as well. The creation of the Western Union Treaty in 1948, the Customs Union of the Benelux in 1948, and the Council of Europe in 1949 were created by European countries as well. As discussed in the second and third chapter, the European countries had to overcome their ideas of self-interest and the creation of these three bodies, but also the creation of the Benelux itself in 1944, shows that some countries were already on their way in doing so.

With the Schuman Plan, there came a supranational structure between the six⁴ participating countries. As Ernst van der Beugel argues:

"Till that moment the OEEC was the exclusive object of American foreign policy aiming at European cooperation and integration. The emergence of the Schuman Plan started a new development of integration to which American efforts in this field could be directed, a development which was more compatible with the aims and hopes of American foreign policy than the cooperative efforts of the larger and looser groups of OEEC countries" (138).

The Schuman Plan might have been more what the Americans imagined, but that does not necessarily mean that the Marshall Plan and the OEEC lost their importance in history when this new plan emerged.

As shown in the last two chapters, the Marshall Plan had contributed to some of the goals of what the Americans had called to be necessary for European integration. A federation of European states was not established, but European cooperation was fostered by forcing participating countries to think and represent themselves as Europeans. The EPU, for which the OEEC was its breeding ground, fostered closer financial connections and took down trade barriers. Trading became way easier, and this supported the economic growth of the member

⁴ Belgium, Italy, Luxembourg, France, The Netherlands, and The Federal Republic of Germany.

states, which was something the Americans argued was necessary to have for overall European integration. The EPU was the predecessor of the European Rate Mechanism (1979), the European Monetary System (1979), and the European Monetary Union (1990), which elaborated on currency convertibility and trade liberalization between European countries (Eichengreen). Furthermore, the Marshall plan offered a solution for the inclusion of Western Germany and allowed the Federal Republic of Germany to grow within a European framework.

In conclusion, an official organization was established by the Europeans at a new conference in Paris because both the Truman Administration and the U.S. Congress urged the importance of a permanent organization for the further development of the Marshall Plan. The establishment of such a lasting organization would have a beneficial influence on the decision of Congress and the amount of aid that Europe would get over the four years to come. This organization, the OEEC, had to manage economic cooperation in Europe, but it only became the embodiment of the Marshall aid in Europe.

In the end, the OEEC did not mirror the American ideals of it. This intergovernmental organization did not resemble the 'United States of Europe' that the Americans had in mind. It was the Schuman Plan, which steered Europe in the direction of a supranational climate and was more in the direction of what the Americans had envisioned for European integration. However, this does not make the Marshall Plan, its main permanent organization, and American involvement and encouragement, less important. The incorporation of the German Federal Republic, the creation of the EPU, and thus the start of trade liberalization on a European scale, were fulfilled within the framework of the Marshall Plan. Although the OEEC was not the main organization through which later influential European organizations were established, it fostered the cooperation between countries and forced government officials to think like Europeans.

Conclusion

"[It] is the first time in history that a great power, instead of basing its policy on ruling by dividing, has consistently and resolutely backed the creation of a large Community uniting peoples previously apart. " – Jean Monnet⁵

This remark of Jean Monnet, a French diplomat who was in close contact with the Americans during the drafting of the Schuman Plan, summarizes the role of the United States in the European integration process. Although the United States tried not to 'actively involve' itself in the integration process, they tried to push European integration by steering the European countries into a form of cooperation.

In the first chapter of this thesis, I discussed the reasons why the Americans wanted to encourage European integration in the first place and why the Marshall Plan had to be introduced. These reasons and motivations have been the basis for American policymakers' view on Europe and thus have been of great influence throughout the process of initiating a plan for Europe. A perceived fear of communism, the rehabilitation of the European economy, the events after World War I, the key role of Germany, and the implementation of American ideals, were the reasons and motivations for the Americans to encourage European integration. This encouragement had to make sure, among others, that the United States would not have to intervene financially and militarily in Europe again. All these reasons are closely connected and at times they reinforce one another. Moreover, different policymakers might have primarily emphasized some of these motivations, while others may be guided by other reasons. All these reasons, however, are congenial and a combination of all played a role in the shaping of United States policy in this post-war period.

The second chapter discussed the start of the Marshall Plan. With Marshall's speech at Harvard, the American urge for European integration had started. It was all up to Europe how the plan was going to proceed. Europe anticipated on the speech by participating in a congress to discuss European cooperation. The Paris Conference was the first gathering of these sixteen states and the place where the CEEC was established. Nevertheless, the Americans had to put pressure on the Europeans to set goals for the plan. In the end, there was only a provisional report, but a true effort in the direction of European integration was made. One should keep in mind that this was the first time that European officials had to discuss terms as Europeans.

⁵ In Geir Lundestad, *The United States and Western Europe Since 1945*, p. 37

They had to put national interests aside and focus on what was best for this European unity collectively.

In the final chapter, I analyzed and discussed the creation of the first official European organization, the OEEC. After the CEEC Conference, not only the Truman Administration started to pressure the participating countries to form a permanent organization, also the U.S. Congress started to urge the Europeans to pursue this form of integration. Most of all because Europe was not actively pursuing the Paris goals. Some preconditions were not fulfilled yet, and the Europeans were also not actively working on it. Another conference was set in Paris. Here the OEEC was established as a precondition for the Marshall Aid. In the end, the OEEC did not become the kind of organization the Americans hoped it to be, but it fulfilled some of the goals they had set for European integration, or at least the Marshall Plan had set the way for them. Western Germany was incorporated in a European framework, the EPU was established and fostered liberalization of European trade, which was helpful in revamping the European economy. The Americans encouraged and urged the Europeans to take steps in the direction of integration. It is difficult to measure the amount of success but looking at the evidence gained out of the preceding chapters, they have been of great influence in this entire process. The Marshall Plan, as a framework for fostering European integration, introduced and steered by the Americans and developed by the Europeans, made the beginning of European integration possible.

This thesis is limited in the number of words that can be used, and therefore I had to focus on one specific part of this post-war integration process. The American reasons for ‘intervening’ in the European integration process form the framework for their foreign policy and is thus essential in how the Americans acted throughout the process of establishing the Marshall Plan. The Marshall Plan was a tool to pursue these goals and motivations, and therefore the policy decisions made under the European Recovery Program can be redirected back to these goals and motivations. This and the discussion of the different conferences, the establishment of several organizations like the CEEC and the OEEC, together with the opinions of officials in charge at that time and several scholars, have contributed to answering the question: how successful were the Americans in their effort to use the Marshall Plan as a tool to encourage European integration?

Because of the limited amount of words, I could not go into depth further on how exactly the networks established during the process of the European Recovery Program have contributed to the further integration process and the role of the Americans in this. I strongly believe from reading the sources I used, especially the experiences from Ernst van der Beugel,

that there was a kind of network created among the European officials working on the Marshall Plan. But to prove whether or not this is true and how this influenced the integration process itself, and even more important to my research question: what the role of the Americans was in establishing this network, will have to be researched further. If there is a connection between the Americans encouraging cooperation and the establishment of certain European networks, this would mean an even 'greater' success for American involvement, through the Marshall Plan, in the European integration process.

To start this research, I think it would be beneficial to look at what Ernst Van der Beugel has written about his experiences in the European integration process. As an active participant in the creation of the Marshall Plan, he refers to the start of a network and the creation of personal bonds in his work. He was also in close contact with the Americans because he was one of the officials traveling to Washington after the CEEC conference. I think further research on this point has to be conducted by observing memoirs and personal memories of individuals who were closely involved in the establishment of the Marshall Plan but were also involved in the overall European integration process for a longer time and had close contacts with the Americans as well. Besides Ernst van der Beugel, I would argue to focus on Robert Marjolin, a French politician who was closely involved in the European Coal and Steel Community, and Eric Roll, he was a British economist and public servant. They were both involved from the start of the Marshall Plan and have played a large role in the integration process in the following years.

I think it is important to keep looking at the Marshall Plan from different perspectives for different reasons. It is relevant to look at how and why the Americans were encouraging European integration to show and emphasize that there was a mutual stake in rebuilding Europe. And by determining how foreign relations were established, the current relations between countries can be better understood.

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