



## The Marshall Plan and Lessons for Today's Transatlantic Relations

**Kurt Volker, Principal Deputy Assistant Secretary for European and Eurasian Affairs**

Remarks on 60th Anniversary of Marshall Plan, U.S. Department of State

Washington, DC

June 5, 2007

*As Delivered*

**Principal Deputy Assistant Secretary Volker:** Thank you very much. Thank you for that introduction and thanks to Karen Donfried [Executive Vice President of the German Marshall Fund].

Thank you, Ambassador Malias and Ambassador De Struye for being here today. I know what the life of a Washington ambassador is like, so for you to take the time to be here today is really a great honor. I really thank you for that.

Ambassador De Struye also has the distinction of having served as Belgium's Ambassador to NATO before coming here to the United States so he's very familiar with the concept of "Everything has already been said, but not everyone has said it." [Laughter]. I'm about to expose you to that doctrine that still applies in NATO today.

I want to thank Karen Donfried for being here and making those remarks. I want to underline something she said, but to make the point as clear as possible. Karen draws her salary today and does the work that she does, and the German Marshall Fund sponsors ethnic reconciliation projects and democracy development projects in the Balkans and in Belarus and elsewhere out of the money that George Marshall proposed and developed and got through the Congress, and the vision that he put forward 60 years ago today. So it is a continuation in spirit. It's a continuation in the dollar chain as well, that is still paying off today, the vision and the commitment that Marshall developed back then.

It's a really great pleasure for me to be able to address you today as well. I've dedicated over 20 years to working in foreign policy and working with European security issues and Marshall's vision has been a guiding light for me as well.

Marshall's proposition, as Karen said, was a proposition that changed the world. It was a simple one. It said that if the United States and Europe work together based on the core values of freedom, democracy, market economy, human rights, rules of law, then we can overcome the greatest of challenges that we face, and we can build a better future. That is really the lesson of the Marshall Plan and a lesson that applies equally to today.

As Karen said, it was 10 minutes, 1500 words or so, a very short speech, and one that changed the world, as Karen said. The speech was delivered with his trademark humility as well. Marshall was overwhelmed by the accolades and honors that Harvard University had bestowed on him and said, and "I'm rather fearful of my inability to maintain such a high rating as you've been generous enough to accord to me today." And given the legacy that flowed from Marshall, that is certainly the understatement of the century, I think.

He knew what he had in that speech that day. In fact Mike Gonzalez was telling me a story while we were talking before this, that this was obviously a speech aimed at Europe. It was a speech that was going to be controversial in the United States because of the level of funding and commitment that was involved.

The media handlers of the day knew what they were doing. They deliberately organized the remarks so that American journalists were here in Washington covering a speech by President Truman on exactly the same day that General Marshall was at Harvard giving his speech to European journalists assembled at Harvard. The idea was to get the European reaction and the commitment behind this going, so that it could be more easily sold in the United States. A very clever way to go about this and something that I think all of us who worry about public diplomacy today should keep thinking about.

I also am very impressed by the posters that were done. I don't think we've done anything like that in 60 years, and I think they're tremendous works of art.

The speech that Marshall gave set out the devastation in Europe in very stark terms. He said it was a devastation to Europe's physical infrastructure, but more than that, it was a destruction that was probably no less serious than the dislocation of the entire fabric of the European economy. He said that the economic system that had bound together the countryside to the town in Europe, the result of the millennia of economic activity, was teetering on collapse. "The modern system of the division of labor upon which the exchange of products is based is in danger of breaking down." That's a fairly fundamental statement of a collapse of an economy.

"Aside from the demoralizing effect on the world at large and the possibilities of disturbances arising as a result of the desperation of people concerned, the consequences to the economy of the United States should be apparent to all."

So Marshall concluded that our government had to act, and though the nation was exhausted by the war effort, it would have to reject any isolationist urge. It was not universally agreed at the time that we in fact needed to rescue Europe. So this plan was a unique event. Churchill called the project "the most unsordid act in history" -- not that there's much competition for that title. [Laughter]. It's impact is felt all around us today.

Never before in the annals of history had any nation organized an economic rescue effort of this magnitude and never before had any nation reached out to rebuild a former enemy as we did with the Axis Powers. During the subsequent four years, a total of 16 countries received almost \$13 billion in loans and grants which adds up, as Karen said, to \$90 billion today, \$110 billion today, whatever that may be, and during that period of time the GDP of the European participants rose by 32 percent. These are the countries that have evolved into economic giants today.

The first thing that Marshall did, to be sure, was to get the European economies functioning again. That clearly was the first accomplishment. The fact that Europe became prosperous quickly after the war was the result of Marshall's foresight and tenacity.

While everyone acknowledges, and rightly so, the huge success of the Marshall Plan in sparking economic growth, less attention is paid to another important aspect, which Karen mentioned, which is its profound structural impact, because it laid the foundations for the integration of Europe and for the strong trans-Atlantic links that we have today.

Europe has a rich history, and in that history we see the Europeans have invaded each other for centuries; they've conquered each other; we've seen shifting borders. But to that point, Europe had never cooperated on a sustained, multilateral basis with one another.



The project of the Marshall Plan caused the leaders of Germany, France, Great Britain, Italy, to work out together how they were going to use a plan to develop Europe as a whole. It is that habit of cooperation and that mentality which was really born from the Marshall Plan that has taken over Europe today and made Europe the model that it is for the rest of the world in terms of overcoming history, overcoming ethnic differences, overcoming a legacy of conflict in order to build a stable, prosperous, democratic society that we see there.

This was a point that Marshall himself understood and he made it clear from the start. He knew, as Karen said, that the way to do this was to let the Europeans lead and the U.S. to support, and not for the U.S. to impose or to provide a dictatorial way to do that.

He said it would be "neither fitting nor efficacious for this government to undertake to draw up unilaterally a program designed to place Europe on its feet economically.' That is the business of Europe.

A requirement of the plan was that the Europeans maintain regular consultations on economic matters, and the U.S. would give aid. The invitation went out to 22 European countries to go to Paris to discuss the U.S. offer of economic assistance. Among the invitees were all of the East European countries. The Soviet Union declined its invitation and pressured its satellites to stay away. So in the end only 16 countries endorsed the Marshall Plan, which was officially called the European Recovery Program.

They did coordinate the request for aid. The first step was to form the Organization for European Economic Cooperation which has developed into the OECD. Other institutions were mentioned: the European Coal and Steel Community which has evolved into the European Union that we see today; and, of course, NATO owed its birth to the spirit of cooperation that came into being as a result of the Marshall Plan.

By 1955 NATO expanded to include Germany. This, I think, is a critical point when you think about the history of World War I and the legacy of reparations, versus the approach taken at the end of World War II with an outreach to former enemies, through the Marshall Plan through economic assistance, and then politically and in security terms through offering membership in the military alliance that was born of the Marshall Plan and that really fused Europe together and laid the basis for security in Europe that allowed the EU to become the great institution that it is today.

So in this respect Marshall was in some ways the grandfather of all three -- the OECD, NATO and the EU. In 1953 he received the Nobel Prize, the only soldier ever to receive that honor, except for Theodore Roosevelt (sic).

It's important, indeed paramount, to remember the lessons of the Marshall Plan today. Simply put, the lesson is that when the United States and Europe work together, we can overcome the gravest of challenges and build a better future. The Transatlantic partnership overturned history, and this anchor of freedom and prosperity is not only in our interest, but it's in the interest of the world. And that is a powerful message today. So the only way we will succeed in overcoming these grave challenges is by working together to build a better future based on our core values.

In 1947 this was a theory. It was a gambit. In 2007 it's a fact. It's proven by the success of the Marshall Plan.

So the lessons and the habits that we learned from Marshall are lessons that are equally important and relevant today.

Thank you very much for having me, and thank you for coming to the ceremony.

[Applause].

 [BACK TO TOP](#)