

Challenge and Response



French Foreign Minister Georges Bidault and British Foreign Secretary Ernest Bevin immediately seized the initiative to respond to Marshall's challenge.

The initiative, I think, 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. The program should be a joint one, agreed to by a number of, if not all, European nations.

—U.S. Secretary of State George C. Marshall
Harvard University, June 5, 1947

After World War II, shortages of materials, hard currency, coal and food prevented Europeans from rebuilding and modernizing their economies. By early 1947, Secretary of State George Marshall understood the need to create a stable Europe in order to end postwar despair and preserve the peace. His visit to Europe, and a dire report from Under Secretary of State for Economic Affairs Will Clayton, convinced Marshall to issue both an offer and a challenge: In return for U.S. assistance, European nations would be urged to work together to design a recovery plan that the U.S. could fund.

In the sweltering summer of 1947, delegates from seventeen Western European countries negotiated their joint aid request. Marshall himself then campaigned for its acceptance at home.

In April 1948, Congress authorized the European Recovery Program (ERP), which became known as the "Marshall Plan." The Europeans formed a new partnership, the Organization for European Economic Cooperation (OEEC) while the U.S. created the Economic Cooperation Administration (ECA) to implement the Recovery Program. American businessman Paul Hoffman oversaw the ECA from Washington. U.S. Ambassador W. Averell Harriman headed the European headquarters at the historic Hôtel de Talleyrand in Paris.



European delegates at their first meeting, Paris, July 12, 1947, in the French Foreign Ministry, *Quai d'Orsay*

All of the country representatives wanted to participate in the European response to the American initiative, but they did so with different aims, different hopes and different needs.... As an exercise in international cooperation, it was completely new.... Six weeks was a short time to change the world, [but] various officials suddenly became... "European," feeling responsible for a joint venture.

—Ernst van der Beugel, delegate from The Netherlands

Everything we did was to strengthen European unity.

—W. Averell Harriman



Republican Senator Arthur Vandenberg (left), speaking with Secretary Marshall, proved a crucial supporter in Congress.



On April 3, 1948, President Harry S. Truman signed the legislation that established the European Recovery Program, otherwise known as the ERP.



Administrator Paul Hoffman (left) chose Ambassador W. Averell Harriman to head the Paris office in the Hôtel de Talleyrand, a building that Harriman urged the U.S. to acquire.

There are no blueprints to guarantee results. We are entirely surrounded by calculated risks. I profoundly believe that the pending program is the best of these risks.

—Arthur H. Vandenberg, Chairman, U.S. Senate Foreign Relations Committee, seeking Congressional support of legislation for a recovery program, March 1948