

**Module 9: The Cold War – The 1950s**  
**Topic 1 Content: Marshall Plan**

**Introduction**



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## Module 9: The Cold War – The 1950s


### Topic 1 Content: Marshall Plan

#### European Destruction

**THE MARSHALL PLAN**

**Destruction**      **Revival**      **Plan**

*“Machinery has fallen into disrepair or is entirely obsolete. Under the arbitrary and destructive Nazi rule, virtually every possible enterprise was geared into the German war machine. Long-standing commercial ties, private institutions, banks, insurance companies and shipping companies disappeared, through loss of capital, absorption through nationalization or by simple destruction ....The breakdown of the business structure of Europe during the war was complete.”*



General George C. Marshall,  
1946

War is destructive and World War II was no exception. George Marshall described the destruction in a speech he gave at Harvard University in June 1947, saying, “Machinery has fallen into disrepair or is entirely obsolete. Under the arbitrary and destructive Nazi rule, virtually every possible enterprise was geared into the German war machine. Long-standing commercial ties, private institutions, banks, insurance companies and shipping companies disappeared, through loss of capital, absorption through nationalization or by simple destruction...The breakdown of the business structure of Europe during the war was complete.” Marshall was describing Europe’s devastation. Food was in short supply and there was a lot of political instability.

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#### Revival

**THE MARSHALL PLAN**

Destruction   **Revival**   Plan

Europe will need support from the United States for three or four years following World War II.



Whatever the weather  
We must move  
**together**

Poster developed by the Economic Cooperation Administration to sell the Marshall Plan in Europe, 1950

During that same speech, Marshall also discussed a plan to help Europe regain its footing and rebuild. He said, "The truth of the matter is that Europe's requirements for the next three or four years of foreign food and other essential products-principally from America-are so much greater than her present ability to pay that she must have substantial additional help, or face economic, social and political deterioration of a very grave character.....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. Our policy is directed not against any country or doctrine but against hunger, poverty, desperation and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist."

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### Marshall Plan



In what would come to be known as the **Marshall Plan**, the United States did exactly what Marshall suggested. It provided billions of dollars to Western European countries to help them rebuild and stabilize their economies. The Marshall Plan also had another intention, which the general alluded to in the last sentence of the quotation you already heard. When Marshall said the United States needed “to permit the emergence of political and social conditions in which free institutions can exist,” he was subtly saying that the United States would use the Marshall Plan as a way to prevent the spread of communism. Specifically, the United States was concerned that Western Europe would become communist if the economic conditions did not improve.