

Essay examples

[People](#), [Adolf Hitler](#)



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Discussions on the Marshall Plan

The Marshall Plan Vis-à-vis The Morgenthau Plan

The European Recovery Program, better known as the Marshall Plan, is an aid program of the United States (US) that granted Western Europe \$13 million in funds between 1947 and 1951. A program that sought to reconstruct Western Europe in the aftermath of the Second World War, it proved instrumental for the rise of US hegemony in international affairs. Yet, the rise of the US as a hegemon did not come as an objective of the plan. Rather, it emerged consequentially during the reconstruction process. US Secretary of State George Marshall stood as the proponent of the case, describing the program as one that could bring back the confidence of the people on the economy – the solution needed for effective war reconstruction. The program resulted to greater successes in the political and economic spheres of both its recipients and the US as the proponent (De <https://assignbuster.com/essay-examples/>

Long and Eichengreen, 2; Vickers 6, 19).

Another US program related to the Marshall Plan is the Morgenthau Plan, introduced by Secretary of Treasury Henry Morgenthau, Jr. It embodied the objective of President Franklin Roosevelt to remove the Nazis out of Germany – a process he termed “denazification”. The program established measures to prevent Germany to rearm again in the future. Among the measures of the program included the annexation of German industrial areas to neighboring countries, the dissolution of active industrial activities within the Ruhr area and the division of the rest of Germany into two economically independent areas. The program is highly relevant to the Marshall Plan in that it enabled the US to mitigate any possible threat to their postwar efforts to reignite Western European economic activity (Casey 174-178).

Reasons for the Implementation of the Marshall Plan

Encouraging postwar economic success in Western Europe is the key reason why the US implemented the Marshall Plan. The program ran through a rationale of four preconditions under the Foreign Assistance Act (FAA) – stronger production effort, foreign trade expansion, financial stability and fostering values of economic cooperation. Many of the Western European recipient states gave a receptive reaction to the implementation of the program, despite initial doubts that those would not even allow US policy intervention in the first place. The implementation of the program resulted to progress in fulfilling the first and second preconditions, as Western Europe collectively reported a 32.5% increase in accumulated Gross National Product (GNP) from 1947 (\$120 billion) to 1951 (\$159 billion) – figures that exceeded target figures. The third precondition did not progress through an

easy route. To achieve this, the recipient states had to deposit counterpart funds – those built up using the value of money of each recipient state equivalent to that of the value of the US dollar. The amount reached a total of \$8.6 billion – 5% of which went to the Economic Cooperation Administration (ECA) that ultimately funded the further promotion of the program. The remaining 95% went to funds used for instilling financial stability in Western Europe. Overall, the third precondition resulted to success and helped consolidate the position of the US as an influential international force. Yet, the US failed in the fourth precondition. That is because each recipient state holds its own set of interests that did not entirely reconcile with the idea of economic cooperation in the region. Despite that failure, the program still proved successful in terms of material and economic aspects of postwar reconstruction in the region. The status of the program as a limiting factor for recipient states to implement domestic policies resulted to the failure of the fourth precondition (Vickers 39-43).

Implications on Denazification

The Marshall Plan presented several implications on US efforts to destabilize Nazi influence in Germany. The program itself pushed forth the image of the US as a dominant player in international affairs. Nazi Germany once held that position, starting from events that preceded the Second World War up to their defeat in 1945. The effectiveness of the Morgenthau Plan paved the way for a smooth implementation of the program, despite implications on the acceptability of US-formed policies in Western Europe. Much of the region became alienated to Nazi ideologies mainly because the US stood as a benevolent player instrumental for the recovery of each recipient state.

The material destruction of possible catalysts of Nazi resurgence proved an important move for the US to increase its presence across Western Europe, in effect enabling them to fulfill the four preconditions stated under the FAA freely. The elimination of Nazi influence through Morgenthau's objectives entailed little opposition from among recipient states to US actions on the program (Casey 174-178; Vickers, 6 19, 39-43).

Benefits to the US

The US greatly benefited from the implementation of the Marshall Plan. The program enabled the greater presence of US contingents in Western Europe – a strategic part of the world that had to undergo large-scale repairs due to damages brought by the Second World War. Their involvement in the rehabilitation process in Western Europe enabled the US to develop close linkages with states that received benefits from the program. Those relationships further bolstered the position of the US in international affairs as a global hegemon – one that has played a crucial role in setting the international playing field and imbued significant influence in domestic affairs of states it has interacted with (Casey 174-178; Vickers 6, 19, 39-43). Economic growth in Western Europe grew rapidly due to the Marshall Plan. That has benefited the US through the permeation and involvement of its market in those growing Western European states. The rapid growth in the region brought back returns to the US market, entailing the latter to expand magnanimously. Eastern Europe also became a semi-passive recipient of the economic gains catalyzed by the program. Whereas Soviet influence became the dominant force in the region, states therein eventually took off from mixed-economy models of Western Europe over time, when cracks started

appearing on the Soviet structure of influence. Currently, many Eastern European states are transitioning to adapting to mixed economy models, with their framework being that of the program that has significantly spurred growth in Western Europe by the mid-20th century. The US, in return, has been able to expand its market to those areas (De Long and Eichengreen 1-5).

Conclusion

In sum, the US gained great political and economic advantage in implementing the Marshall Plan – all of which were unforeseen and were not part of the initial objectives. The desire of the US to redevelop the strategically important area of Western Europe resulted to development to a greater scope that benefited both the intended recipients of the program and the proponent itself. On a strategic note, the Morgenthau Plan helped make the changes envisioned by the program. Without the implementation of objectives set by Morgenthau, many of the changes intended by Marshall and the US might not have pushed through effectively due to the presence and possible resurgence of Nazi elements.

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