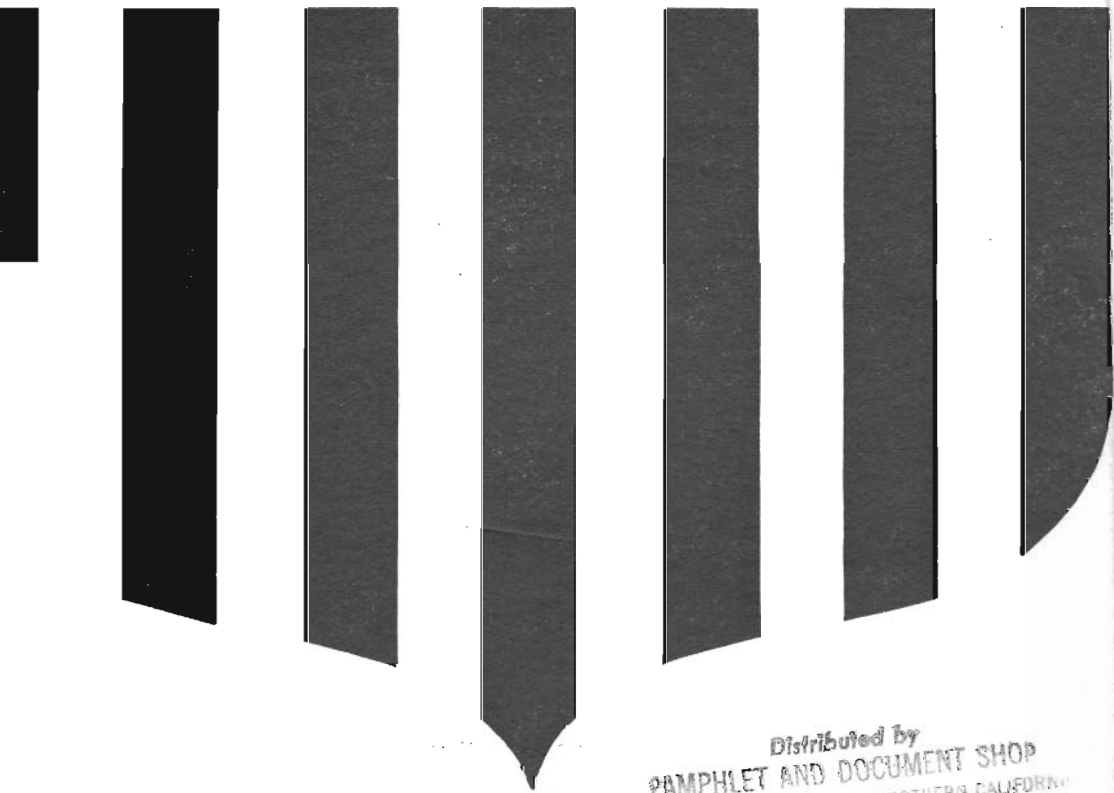


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THE MARSHALL PLAN

A Program of International Cooperation



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Introduction

IN THE SPRING OF 1950 a group of educators met in Washington at the invitation of the Economic Cooperation Administration to consider how the purposes, activities, and significance of the Marshall Plan might be more effectively brought to American students. The educators urged the ECA to prepare a bulletin to be used as a study guide by teachers and leaders of discussion groups. A subcommittee was then appointed to work with the ECA Office of Information in preparing such a guide. The subcommittee included Mr. Walter Mohr of George School, Pennsylvania; Dr. Howard R. Anderson and Mr. Howard H. Cummings of the United States Office of Education; and Mr. Merrill F. Hartshorn of the National Council for the Social Studies, a department of the National Education Association.

The subcommittee chose Dr. Lewis Todd, editor of *Social Education*, the journal of the National Council for the Social Studies, to interpret the ECA program in terms which would be of maximum help to teachers. We believe he has produced an evaluation which will be of service to all desiring to study the ECA program.

During the period of preparation of this bulletin the aggression in Korea brought significant changes in the international situation. These developments underscore the importance of the Marshall Plan in developing strong allies, and make a study of its operations doubly rewarding. We are convinced that the Marshall Plan represents a new pattern in international understanding and cooperation. It should help to hold together in peace or in war the free peoples of the world.

William C. Foster
Administrator

TABLE OF CONTENTS

I

WHAT IS IT—AND WHY?

	Page
A. The European Crisis	1
B. An Idea Grows Into a Plan	4
C. The Democratic Way of Self-Help and Cooperation	5

II

HOW DOES IT WORK?

A. From People to People	7
B. Organization and Administration	8
C. Case Studies of the Plan in Operation	10
M. Jolivet Buys a Tractor	
Cotton and the Revival of the Textile Industry	
Power from Volcanic Steam	
D. Self-Help: The Counterpart Fund	14
E. Sharing Ideas and Practices: The Technical Assistance Program ..	16

III

THE PROBLEM OF INTERNATIONAL TRADE

A. The Dollar Gap	19
B. The Problem Europeans Face	20
C. The Problem Americans Face	22

IV

THE RECORD SPEAKS

A. Health	25
B. Housing	27
C. Agriculture	28
D. Industry	29
E. Transportation and Power	30

V

WHAT EUROPEANS THINK ABOUT THE PROGRAM

A. Public Opinion in Europe	31
B. European Criticisms	32

VI

WHAT AMERICANS THINK ABOUT THE PROGRAM

A. Public Opinion in the United States	35
B. American Criticisms	36

VII

ECA AND THE FAR EAST

A. The Problem	39
B. ECA Activities in the Far East	40
C. The Challenge of Korea	42

VIII

THE MARSHALL PLAN AND AMERICA'S FOREIGN POLICY

A. Economic Aid	43
B. Collective Security	44

STUDY GUIDE

Part One: Discussion Questions	49
Part Two: Films, Filmstrips and Reading Suggestions	53

The Marshall Plan

A Program of International Cooperation

I

WHAT IS IT—AND WHY?

The Marshall Plan is one of the most significant demonstrations of international cooperation in peacetime history. Those who formulated the program wrote into it the same long-range objectives to which they had subscribed as members of the United Nations—peace, freedom, and a decent standard of living for people everywhere—and in its operation the Marshall Plan has added strong support to the growing structure of world organization. Where World War II destroyed on a scale to stagger the imagination, the Marshall Plan seeks to rebuild—and on an even vaster scale, for it seeks not merely to reconstruct what was destroyed but to lay the foundations for a better world. Where World War II brought chaos and despair, the Marshall Plan seeks to bring order, prosperity, and hope. It is a mixture of hard-headed business, in which the Economic Cooperation Administration (ECA) is wringing every penny out of the dollar, and a deep-rooted concern for the dignity of the individual and the sacredness of human life.

A. The European Crisis

The Marshall Plan was precipitated by the European crisis. Its *immediate* goal was the restoration of Europe, although, as the months have passed, it has developed into a dynamic program of global dimensions closely integrated with the total foreign policy of the United States.

When the war ended, a large proportion of Europe's industrial plants resembled the shattered, deserted factory pictured on the next page. Entire sections of cities had been reduced to rubble. Farmlands were torn and scarred. The transportation system, always a primary target for enemy bombers, was damaged almost beyond repair, with wreck-clogged harbors, fire-gutted marshalling yards, sagging bridges, and worn out rolling stock. Many banks, insurance companies, and other financial institutions had ceased to exist. Everywhere machinery was worn or obsolete. Trade between urban and agricultural areas was seriously disrupted because farmers were not interested in exchanging visible goods for a greatly inflated currency, and city dwellers could not produce the goods needed by the farmers. This situation forced governments to import food from abroad, with the result that precious credit needed for the purchase of capital goods was quickly exhausted. The basic fabric of Europe's economy was falling apart.



The end of World War II found much of Western Europe's industrial plant in ruin...



... but American dollars and counterpart funds helped put it back in running order.

Meanwhile, Europeans struggled grimly to secure the barest essentials of food, clothing, and shelter. Cold, hungry, filled with despair, they were fighting a hopeless battle. Even nature seemed to turn against them. The winter of 1946-1947 was one of the worst in decades, and the following summer brought a disastrous drought. Two years after the war ended, Europe was plunging into economic chaos.

Could Europeans, unaided by outside countries, arrest this trend? Could they lift themselves by their own bootstraps and start the long climb back to an ordered and productive way of life? In 1947 the answer seemed to be no. They needed so much of everything even to get started—food, clothing, and medical supplies in huge quantities to relieve suffering and dire want; seeds, fertilizer, and equipment to restore agricultural production; industrial machinery to rebuild mines, factories, and transport; raw materials such as steel, coal, cotton, and lumber to feed the machines.

These materials—raw and manufactured—were, of course, available, principally, although not exclusively, in the United States. The almost miraculous expansion of American production during World War II placed the United States in a position to supply Europe's basic needs *if*—and this was the catch—Europeans could find the dollars with which to buy the goods. The situation was tragic in the fullest sense of the word. Europeans did not have the needed dollars. They could not get them until they produced surplus goods to sell abroad. They could not produce the goods until they had the dollars with which to rebuild and retool their farms and factories. It was a vicious spiral down which more and more people of Europe, in spite of all their efforts, were being forced into destitution and misery.

American leaders—governmental, military, business, and labor—watched this situation with growing alarm. They knew that most Americans clearly understood and accepted their moral obligation to help relieve suffering and want. But did the public also understand that the so-called European crisis was really a *world* crisis? Did the public realize that American prosperity and security were in jeopardy?

Traditionally, Europeans had been America's best customers. In the postwar world, the United States with its greatly expanded industrial machine needed European markets more than ever. If Europeans could not buy American goods, the American public would soon feel the pinch. Factories would have to curtail production; profits and dividends would diminish; unemployment would increase. No one could predict precisely the extent to which the American economy would be affected by the economic collapse of Europe, but experts agreed that the blow would be serious.

Equally alarming was the threat to American security. Wars and revolutions breed in poverty and are nourished by desperation. Unless the United

States acted quickly and on a scale adequate to meet the need, Europe would be swept by revolution. If this happened, the Western Hemisphere would be isolated—for no one in his right mind believed that the new governments would be anything but hostile. The shadow of a Communist-dominated Europe darkened every discussion of the European crisis.

The plain fact was that the American people were being confronted with the responsibilities of world leadership. Their moral obligation to help those nations that had suffered most from the war was clear and reasonable. As a leading member of the United Nations, they had pledged themselves to uphold the freedom and independence of their fellow members. And, not least important, self-interest demanded immediate action. Economically, politically, and strategically Americans had much to lose by failure to act.

B. An Idea Grows Into a Plan

On June 5, 1947, General George C. Marshall, then Secretary of State, focused public attention upon this problem. His speech at Harvard University was directed to the peoples of Europe *and* the citizens of the United States. "It is logical," he said, "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 . . ." "But," he added, "before the United States can proceed much further in its efforts to alleviate the situation and help start the European world on its way to recovery, there must be some agreement among the countries of Europe as to the requirements of the situation and the part those countries themselves will take in order to give proper effect to whatever action might be undertaken by this Government 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. The program should be a joint one Any government that is willing to assist in the task of recovery will find full cooperation, I am sure, on the part of the United States Government."

To this promise to help, General Marshall added a warning. "Any government which maneuvers to block recovery of other countries cannot expect help from us. Furthermore, governments, political parties, or groups which seek to perpetuate human misery in order to profit therefrom politically or otherwise will encounter the opposition of the United States."

Hopefully, however, he invited *all* of the European countries to join the United States in a mighty cooperative attack upon the problem. "Our policy," he declared, "is not directed 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."

This short speech (it covered only two mimeographed pages) produced an immediate and enthusiastic reaction. After preliminary conversations, the Foreign Ministers of France, Britain and Russia met in Paris to discuss ways and means for converting General Marshall's idea into a program. At the end of three days Mr. Molotov, in the name of the Soviet Union, walked out of the conference and later forbade the satellite countries to join in the program.

Foreign Ministers Bevin and Bidault immediately invited twenty-two additional European nations to meet with them. In response to this invitation, representatives of the nations of Western Europe—all but the Soviet Union and the Communist-dominated countries—promptly met to discuss their needs and to formulate a program. Headquarters were set up in Paris and a temporary organization, the Committee of European Economic Cooperation (CEEC) was formed. Later a permanent organization, the "Organization for European Economic Cooperation" (OEEC), was established. Meanwhile, in the United States, committees appointed by the President and Congress studied the proposal and developed practical means for setting up the program. After thorough discussion in Congress, the Foreign Assistance Act was enacted on April 2, 1948, and the Economic Cooperation Administration was created when the President signed the bill the following day.

C. The Democratic Way of Self-Help and Cooperation

Less able European and American leaders might have taken General Marshall's idea and developed it into a huge program of direct relief and long-term loans. Had they done this, the plan would have failed. United States resources were not large enough to rebuild Europe. Moreover, recovery was not simply a matter of clearing away rubble and constructing new buildings. Of what use were new structures if beneath the facade of stone and brick and steel men lived without faith and hope?

From the outset, therefore, the architects of the Marshall Plan on both sides of the Atlantic agreed that American aid would be meaningful only to the extent that it helped Europeans to mobilize their own resources of initiative, of creative energy. In so doing, they would renew their faith in themselves and in their fellow men.

The larger meaning of the Marshall Plan, and the secret of its success, lies in this basic conception. The elaborate mechanism for converting dollars into productive enterprises, essential though it is, is, in fact, merely a device for strengthening men's faith in the enduring values of mutual help and cooperation.

It is hardly necessary to emphasize the point that these values have

helped immeasurably to make the Marshall Plan attractive to the democratic world. Throughout American history, for example, men have placed a premium upon initiative, inventiveness, and the ability to stand upon one's own feet. The way of self-help and cooperation is understood and respected by the American people, as well as by Europeans reared in the democratic tradition.

In the Marshall Plan, the Old World and the New joined in a mighty offensive *against* "hunger, poverty, desperation, and chaos" and *for* a world "in which," as General Marshall phrased it, "free institutions can exist." The basic objectives of the program were summarized in vivid, forceful words by Otto Zausmer, foreign affairs expert of *The Boston Globe*. "These changes which the Europeans are trying to work out represent perhaps the most gigantic planned revolution in world history, a 'super-retooling' job of a plant that spreads from the Arctic Circle to the Mediterranean and from the Iron Curtain to the British Isles. And it is more than a revolution in terms of factories, machinery and currencies: it is an attempt to carve out a new, freer way of life."

This conception of the larger purposes of the Marshall Plan was shared by Paul G. Hoffman, a business executive by profession, who directed the ECA during the first two and one-half years of its operation. "I think, too, that America, in helping the free peoples of the world to remain free and gain in strength, is living up to its best traditions and will, itself, gain in strength by so doing," he said in an address before the United Textile Workers of America.

"From our very beginning, Americans have had a sense of mission about America. Our forefathers believed, and we have believed, that this free and good society we are building is not merely for our own good but for the good of all mankind."

"I am convinced that we are today doing the work the founding fathers deeply believed we could—and would—do."

II

HOW DOES IT WORK?

The Marshall Plan is an enormously complex operation, involving large expenditures of dollars and European currencies, and touching, in one way or another, the lives of more than 425,000,000 people in the United States and western Europe, not to mention millions of others who live in the dependent areas of Asia and Africa.

A. From People to People

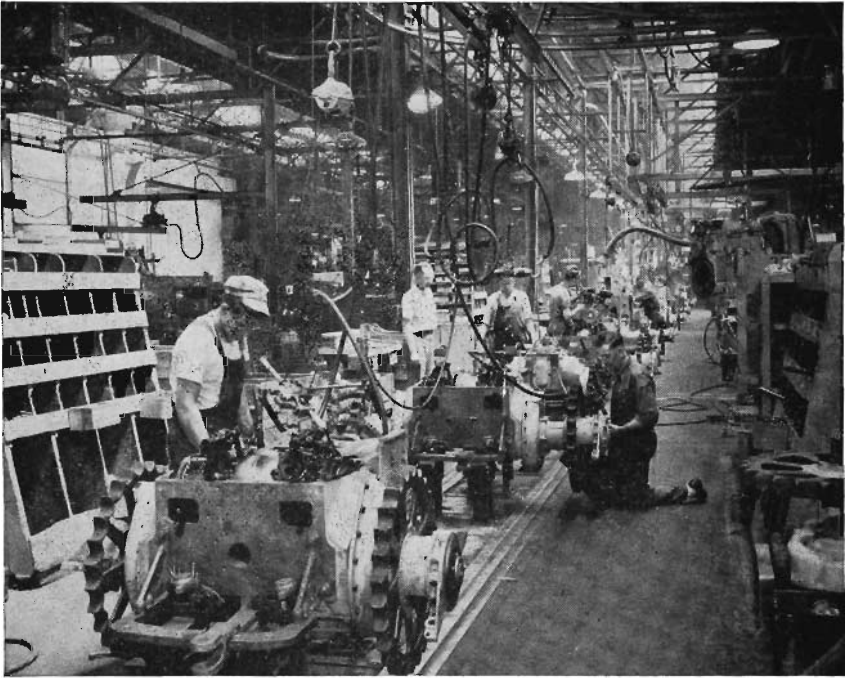
In a real sense, the Marshall Plan is a story of people. This story is symbolized in the two pictures on pages 8 and 9. In one of the pictures United States workers are assembling tractors; in the other a French farmer is using an ECA-financed tractor to increase the productivity of his farm—which means more food for France. Essentially, the Marshall Plan is merely a device to make this exchange of goods possible.

What does it cost? Each year Congress reviews the program and achievements to date; then makes the necessary appropriation. For the first three years of this four-year plan—i.e., up to June 30, 1951—it will have made available, in all, some 12 billion dollars. According to the original plan, each of the three appropriations has been markedly lower than the preceding one, and it is expected that this pattern will be followed during the last and final year of the program. However, in view of the emergency which arose with the attack on Korea, it is not possible at this time to foretell exactly what the needs will be.

Although this whole program is being carried out at a cost of several billion dollars less than was originally forecast, it still represents an enormous outlay of American taxpayers' dollars; but that outlay, big as it is, assumes reasonable proportions when it is viewed as the necessary cost of insurance for a free and prosperous world.

Despite its size, the American contribution has been only about 25 percent of the total cost of European recovery. Contrary to widespread misunderstanding in this country, 75 percent of the burden has been borne, as it properly should be, by the European taxpayer and worker.

It is encouraging to note that, according to the best estimates, an average expenditure of between four and five billion dollars a year of ECA money has enabled Europe to increase production by approximately 30 billion dollars a year. With ECA aid, Western Europe has accomplished more in the four years following World War II than it accomplished in seven years after World War I. This, of course, means more jobs and a better living for people in the Marshall Plan countries. But it also means more jobs and a better living for Americans—a fact clearly under-



From people to people. Much of America's industrial might turned to produce goods for Western Europe's economic recovery. Here is a typical scene of an assembly line in an American factory producing tractors...

stood by the American Federation of Labor and the Congress of Industrial Organizations, both of which have warmly endorsed the program.

Most gratifying of all, the rise in European productivity will be increasingly beneficial to the American economy, or, to be more specific, to American producers, investors, and workers in general. The more Europe produces, the more it can sell abroad, and the more it sells abroad the more dollars it will accumulate for purchases in the United States. It is as simple as that. If we continue our joint efforts to remove obstacles from the international channels of trade, Americans and Europeans alike will enjoy an increasing measure of prosperity long after the Marshall Plan has come to an end.

B. Organization and Administration

For the average person, details of organization and administration are important only to the extent to which they help him understand how the program works.

One of the significant facts about the ECA is its low overhead, or operating costs. Of the total cost to the taxpayer, only about one-third of one percent (.0036) is used to administer the program. The low over-



... which replaced the horse and other outmoded methods of agriculture on hundreds of large and small farms such as the one above. Agricultural production is 105 percent above prewar, largely as a result of American assistance.

head is the happy result of a relatively simple organizational structure and administrative machine.

Ultimate responsibility is, of course, vested in Congress, which controls the purse strings. Congressional appropriations are placed at the disposal of the ECA administrator, who from his Washington headquarters directs the operation of the program and makes top-level decisions.¹ Most of the multitudinous details of bookkeeping are also carried on in Washington. *ECA does not buy or sell. It is a credit agency for dollar purchases.* But every purchase financed by ECA, no matter how small (and the purchases range from items costing as little as four or five dollars to contracts running into the millions) must be entered in the books for a final accounting.

¹ Paul G. Hoffman served with great competence in this capacity until his resignation in the fall of 1950. He was uniquely qualified for the job. A successful business executive, formerly head of Studebaker Corporation, he had also served as chairman of the Board of Trustees of the Committee for Economic Development; as trustee of the U. S. Council of the International Chamber of Commerce; and as trustee of Kenyon College and of the University of Chicago.

His successor, William C. Foster, is also a successful businessman. Formerly president of the Pressed and Welded Steel Products Company, and Under Secretary of Commerce, more recently deputy administrator for ECA, he shares Mr. Hoffman's belief in the program.

Because Washington is so far from the European scene, ECA also maintains headquarters in Paris and missions in each of the Marshall Plan countries. The outline of this basic organizational structure is shown on the map on page 12.

The Marshall Plan countries also have their own special agencies that mesh with the ECA like gears in a machine. In each of the countries the ERP organization analyzes its own needs and continually plans for the future, working always in close collaboration with the local ECA missions. Only a few decisions are made at this level. The over-all dollar import decisions are made in Paris, where representatives of all the Marshall Plan countries work together in the OEEC. OEEC analyzes the proposals submitted by *all* the member countries and, after careful study of the total European situation, drafts a master plan for the Marshall Plan area of Europe. In doing this, OEEC may cut back or increase allocations for a certain type of aid to one or another country, and in the end, arrives at what it considers a balanced program for over-all European recovery as distinct from the recovery of a single country.

In shaping up its program, OEEC works closely with the Paris headquarters of the ECA. The operation of OEEC is an encouraging demonstration of European cooperation, of the "mutual help" upon which the entire Marshall Plan is based, with eighteen European countries working together toward a common goal—the recovery of Western Europe and the development of a healthy world economy.

How does this affect the individual in the Marshall Plan countries?

C. Case Studies of the Plan in Operation

M. Jolivet Buys a Tractor

M. Albert Jolivet needed a tractor for his fertile, 90-acre farm in the French commune of Plaimpied. He had the necessary money, 500,000 francs, and he hopefully placed his order with an American manufacturing company, for war-damaged French factories were not yet back in production. There was no sale. Who wanted French francs? In more "normal" times, when French industries were busy, Americans bought from the French and could use francs. But not in 1946-1947.

Then the Marshall Plan was born. Tractors were among the items listed by OEEC as essential for reconstruction. The General Confederation of Agriculture, a French farm organization, allocated the number of tractors available for each district. District organizations decided which farmers should get the first tractors. M. Jolivet's name was on one of the lists.

When he heard the news, he hurried to the French distributor and paid his 500,000 francs. He bought his tractor with his own money in exactly

the same way that an American farmer would buy a tractor. The distributor turned over this money to the French government. The French government reported the transaction to ECA, which immediately made available enough dollars to pay for the tractor. These dollars were paid by ECA to the American manufacturer. A short time later M. Jolivet received his tractor, the first ECA-financed tractor to reach a French farm.

Multiply this story by thousands, add seeds, fertilizers, trucks, plows and other agricultural machinery to the list, and you begin to have a better understanding of how the Marshall Plan has helped to boost the productivity of Europe's farms.

Cotton and the Revival of the Textile Industry

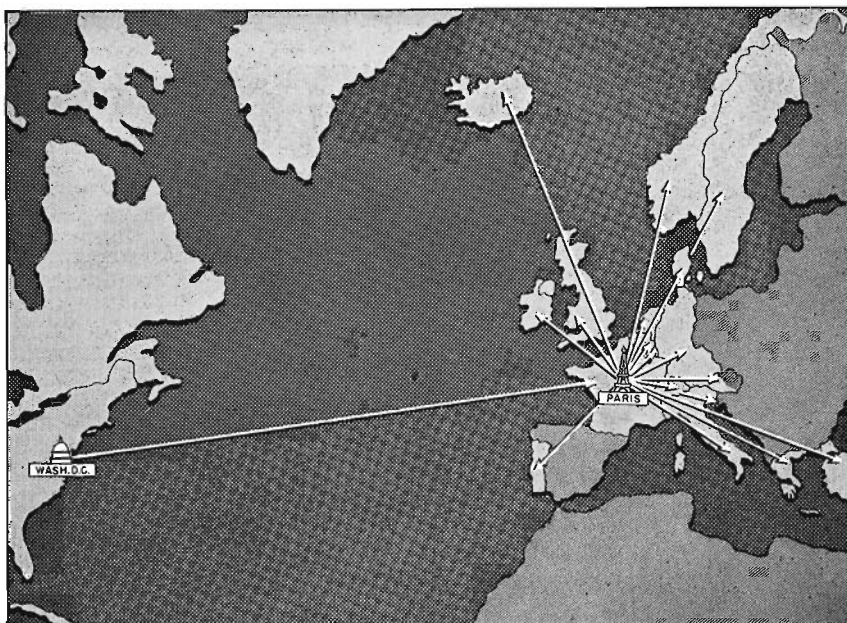
Picture a large, European textile mill standing idle at a time when millions of Europeans desperately needed warm clothing. Why? The same old story: lack of dollars with which to buy cotton and wool.

Now picture the cotton fields of the United States, fields filled with white, bursting bolls in quantities far greater than Southern growers could hope to sell in the domestic market. This is where the Marshall Plan entered the picture.

"Probably no other single commodity from the United States has contributed more to Western European employment than this American-grown fiber," the *Marshall Plan News* stated (Vol. I, No. 2, page 3). "Cotton textiles in their various phases are now providing jobs for at least five million Europeans." Not least important, shipments to Europe included vitally-needed replacements of machinery as well as new cotton.

It is equally clear that the sale of cotton and textile machinery to the Marshall Plan countries has been beneficial to Americans—to growers; to workers in the fields and gins and factories; to transport workers; and to shipping companies and the men who work for them. From the beginning of the Marshall Plan until September 30, 1950, ECA had paid for \$981,900,000 worth of cotton. The cotton exported to Europe during this period represented a substantial proportion of the United States crop, which in 1949 totaled about 16 million bales.

In addition to providing jobs for Europeans, the revived textile industry provides an exportable commodity for sale in the world market. Exports of cotton cloth, and of other textiles, bring in badly needed dollars. A few figures will reveal how important this industry is to Europe. In the prewar year of 1937 the total exports of the countries now in the Marshall Plan were valued at 9.5 billion dollars. In 1938 they totalled 8.7 billion dollars. Approximately 23 percent of these exports, to the value of nearly 1.8 billion dollars, were textiles. Cotton cloth alone amounted to 40 percent of the total export volume.



Marshall Plan headquarters are in Washington and Paris. Missions are maintained in each of the following countries of Western Europe: Austria, Belgium-Luxembourg, Denmark, France, the Federal Republic of Germany, Greece, Iceland, Ireland, Italy, The Netherlands, Norway, Portugal, Sweden, Trieste, Turkey and the United Kingdom. Switzerland also is a Marshall Plan country, but has obtained no grants or loans and has not been assigned a mission.

How does the Marshall Plan operate in regard to cotton? In much the same way as it worked for M. Albert Jolivet. OEEC, with the approval of ECA, lists cotton as one of the imports essential for recovery and allocates the total authorized amount among the Marshall Plan countries. Cotton manufacturers then place their orders. They pay for the cotton in the currency of their own country, and ECA releases an equivalent number of dollars to the American exporter.

Power from Volcanic Steam

About forty miles south of Florence, in a valley surrounded by barren mountains, nature has for centuries put on an ominous display of her power. The surface of the valley is broken by pools of boiling water and geysers of steam that shoot furiously into the air. Unseen, far beneath the surface, but all too near for the apprehensive spectator, are beds of molten lava. Surface water, seeping through the porous rock, is instantly converted into steam, most of which is imprisoned in the bowels of the earth; some escapes through fissures in the rock.

During the past seventy-five years the Italians managed to harness this steam. They used it to drive huge generators which, by 1944, were producing at the rate of 800,000,000 kilowatt hours per year. Refusing to leave such a valuable asset to their enemy, the Germans methodically wrecked the installations as they retreated northward.

Aided by American engineers and technicians, the Italians promptly tried to repair the damage, but they were handicapped by lack of equipment. Unable to secure what they required from their own manufacturing plants, and without dollars to purchase the huge generators and turbines from the United States, they had every reason to be discouraged.

The Marshall Plan was the answer to their problem. With ECA money they were able to buy the vital equipment. By 1950 Larderello, as the enterprise is called, was producing about one billion kilowatts annually, and new wells are being drilled. When present plans are completed, the volcanic steam will supply Italy with about 7.5 percent of her total electrical energy. For a country as power-poor as Italy (she has only low-grade coal and limited sources of water power) the importance of the Larderello development cannot be overestimated. Moreover, the steam is saturated with large quantities of borax, carbonate of ammonia, and other chemicals. These are now being recovered. About 5,000 tons were produced in 1949, and the rate of production is rising.

Tractors, cotton, generators and other equipment—these are only a few of the thousands of varied articles pouring into Europe under the Marshall Plan. To the extent that they are gifts, they are gifts to the *governments* of the Marshall Plan countries, not to the *individual* consumers who must pay for what they get.

To assist those seeking business in the Marshall Plan countries, the ECA issues a large number of guides for American businessmen. These include directories of importers in Western Europe, announcements of procurement authorizations, and other such aids. Businessmen use some of these to compile lists of potential customers.

Must Europeans purchase only from a selected list of American manufacturers and distributors? By no means. Once they have an authorization from the ECA, as M. Jolivet's agent had to buy a tractor, they may buy where they please, even outside the United States. It is important to remember, however, that dollars ultimately all find their way back to the United States. As one of its many aids to those seeking business under the Marshall Plan, ECA has invited European and American businessmen to list themselves in directories, which it distributes upon request. ECA makes every effort, through its Office of Small Business, to provide American industry with information on proposed purchases. Beyond providing this information the agency leaves the matter entirely to the businessmen.

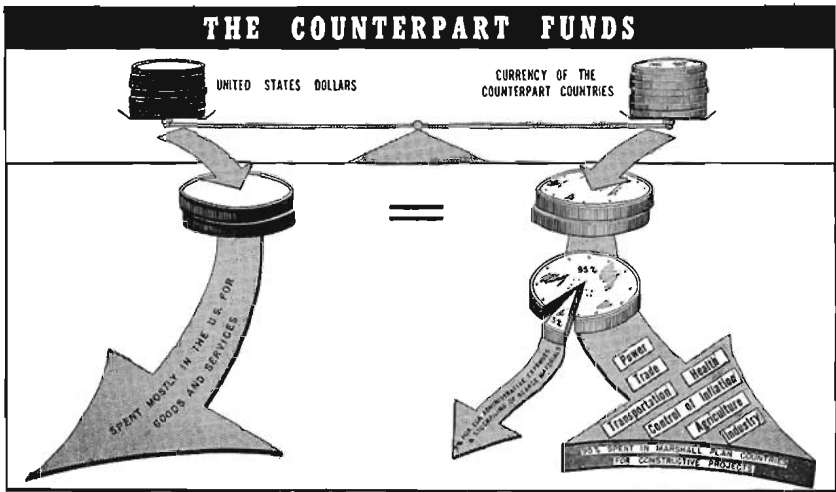
Americans who wish to do business in Europe must locate their own markets and outsell their competitors.

D. Self-Help: The Counterpart Fund

In the above examples of Marshall Plan activities we deliberately omitted any discussion of an extremely important question: What happened to the francs that M. Jolivet paid for his tractor? What happened to the francs, the lira, the guilders and the pounds that businessmen paid for their cotton, electrical equipment, and other goods received from the United States?

Every time a European buyer (an individual, a corporation, or a government) is authorized to spend a stipulated number of dollars for a specified article, his government must place an *equivalent* amount of its own currency in a special account called "the counterpart fund." In other words, ECA dollars are matched by an equivalent sum in the currencies of the Marshall Plan countries.

What does a Marshall Plan country do with its counterpart funds? In the first place, each country is required to allocate 5 percent of the fund to ECA, which uses this money to pay administrative costs in that country, and to secure scarce materials for stockpiling in the United States. The remaining 95 percent must be used, as the Foreign Assistance Act states, "for purposes of internal monetary and financial stabilization, for the stimulation of productive activity and the exploration for and development of new sources of wealth." Different Marshall Plan countries have used their counterpart funds in different ways. Norway and the United Kingdom, for example, withdrew their counterpart funds from circulation in order to reduce inflationary pressures. Greece has used its fund to care



for and rehabilitate refugees from the guerrilla war, to drain and irrigate land, to rebuild roads and bridges, to increase agricultural production, and for other similar purposes. Italy has put her counterpart into reforestation, land reclamation, housing, transportation, and a variety of other projects.

Whenever people discuss the counterpart system, one question invariably pops up: Does the United States control the counterpart fund? The answer is that no country can spend its counterpart money on any project without first securing ECA approval. To the extent that the United States can veto any project that it considers nonessential to recovery, it exercises control. On the other hand, the United States cannot dictate to a country what it shall do with its counterpart fund.

The expenditure of counterpart funds involves the following steps: First, the government of a Marshall Plan nation lists the projects that it wishes to finance with its counterpart currency. It does this in close consultation with the ECA mission stationed in that country. Second, these plans are forwarded, with recommendations by the local ECA mission, to ECA headquarters in Paris, and, if approved there, to the ECA administrator in Washington for final approval or rejection.

The need for ECA approval has on occasion led to misunderstanding. For instance, France once requested permission to build, in a famous seaport, a large gambling casino with counterpart money. Now to the French, whose cultural patterns differ from ours, this seemed to be a reasonable request because it would earn a great many dollars from tourists passing through the city. But ECA said no. Whether or not the gambling establishment was sound from a money-making viewpoint was irrelevant. ECA officials knew that American taxpayers would object to the use of counterpart funds for a project of this type. For the most part, however, projects submitted for approval have been thoroughly satisfactory to the ECA.

The counterpart fund was a brilliant idea. "It's one of the wonders of finance," wrote an associate editor of the *Cleveland Press*, a man who had spent some time in Europe (at his own expense) studying the Marshall Plan in operation. ". . . American money is thus made to go farther than Americans probably realize." ECA people have this same point in mind when they say that "the American dollar does double duty."

Counterpart also helped to prevent inflation in Europe from getting completely out of hand. If in 1948 American dollars had been poured into the Marshall Plan countries without some provision for withdrawing from immediate circulation an equivalent amount of local currency, the situation would have been disastrous. Forced to compete with the dollar, European currencies would have dropped even lower in value, or, to state the same thing differently, prices would have skyrocketed. But the im-

mediate withdrawal of the counterpart money and its subsequent carefully controlled release for constructive projects helped to check inflationary pressures.

Perhaps most important of all, counterpart provided a practical method for developing the democratic principles of self-help and cooperation.

E. Sharing Ideas and Practices; The Technical Assistance Program

A flow of ideas, as well as a flow of goods, has been set in motion by the Marshall Plan. Perhaps, in the long run, this will prove to be the most dynamic feature of the entire program.

It is strange indeed in these days of intense nationalism to see a major producing nation deliberately encouraging potential competitors to make use of its most advanced ideas and practices; strange, and new, but intelligent and entirely consistent with the principles of mutual help upon which the Marshall Plan has staked its success.

By the end of 1950 the Technical Assistance Program, which is the rather forbidding name given to this systematic attempt to share ideas by the exchange of experts, had brought to the United States approximately 3,000 specialists from Western European countries for visits ranging from three weeks to one year, and it will have sent about 500 United States experts to Europe.

Who were these "specialists" who came to the United States? What did they gain—and contribute—as a result of their visits?

A few illustrations may help to reveal the breadth and scope of the program. At one end of the scale are projects like the four-month tour by Miss Jean Wallace, a young poultry instructor at the West of Scotland Agricultural College, who visited American poultry farms and experiment stations. Back in Scotland, where she holds a job somewhat similar to that of a county agricultural agent in the United States, she will share with the farmers in her territory new ideas on the breeding and care of poultry, thereby contributing to the vital task of increasing the food supply of the United Kingdom.

At the other end of the scale are projects like the six-week visit of 16 specialists from the British steel foundry industry, selected by their colleagues to represent every branch of the industry—labor, management, and technical men, a balanced team in the fullest sense of the word. The objective? To help the British to increase steel production, key to industrial development.

Many others have come, as teams and as individuals: young Danish farmers, 35 youths in their early twenties; a team of 38 Turks to study rural youth programs, such as the 4-H Club activities; a delegation of Norwegian workers and labor leaders, chosen by individual unions in

collaboration with the Norwegian National Trade Union Congress, to observe industrial and social conditions; a group of Austrians to study lumbering methods; and many others. Specialists in practically every field of industry, agriculture, transportation, and communications have crossed the Atlantic to observe practices and exchange ideas.

The dollar costs have been kept very low through the use of counterpart funds, whenever possible.

But costs have meaning only when one considers what he has received for his money. By this standard, the program has been an outstanding success. Take, for instance, the team representing the British steel foundry industry. Their report, factual, almost blunt, made a tremendous impact in the United Kingdom. The first edition of 25,000 copies was gobbled up within a few days, and by 1950 the report was in its fourth edition. "Productivity in terms of man-hours per ton is undoubtedly higher in the United States of America than it is in Britain, by something between 50 and 90 percent," the report stated. The reason: better use of machines; more efficient factory layouts to speed the flow of material and reduce the movement of workers; and "the compulsion of the keenly competitive spirit which is inseparable from modern America . . ." And the lessons for the United Kingdom and other industrial countries? These can perhaps be summarized most readily in the words of Professor Jean Fourastié, chief of the French Interministerial Committee on Productivity: "We had been thinking that the problem of raising our standard of living was political or legislative. Actually, we have come to see that it is a problem of producing." The British foundry steel team put the problem in human terms: "Economic Surveys politely use the terminology of economics," the report declared. "Put much more bluntly, the Economic Surveys tell us that the alternative to high productivity is STARVATION. Once that is understood, not only intellectually, but emotionally, something can be done."

The British warning was aimed at those who were fearful of the term "high productivity." This fear, rooted in the belief that new machines and methods will throw men out of work, is widespread throughout Europe. It is a feeling that the American worker entertained a generation ago. But the American workers' fears did not materialize. Machines *did* displace¹ men, it is true, but each new invention opened new opportunities. Harness makers, for example, were thrown out of jobs by the automobile, but hundreds of thousands of Americans now earn their livelihood directly or indirectly from an industry that has transformed life in the United States. Europeans must also learn this lesson. As the British team warned: "Traditional practice is all too frequently a euphemism for obstinacy, trade

customs for pig-headedness. Neither traditional practice nor trade custom has an export value. High productivity has."

One of the objectives of the Technical Assistance Program was to teach Europeans—management and labor alike—that their fears of high productivity were groundless. The easiest and most convincing way to do this was by giving Europeans an opportunity to observe the actual demonstration at first hand. From all reports, they are beginning to put the new ideas and practices into effect. One Scotch foundry reported that it had increased production from 70 to 85 tons a week merely by rearranging plant layout and adopting different methods. For Europe as a whole, over-all industrial production by 1950 had increased 20 percent above prewar levels, and man-hour productivity is steadily increasing. In 1949 the average factory worker produced 25 percent more than he did in 1947. Part of this increased productivity may be attributed to the Technical Assistance Program, although it will be some time before results can be observed on any broad scale.

The United States has also benefited, for Technical Assistance provides an opportunity for men to share ideas in the fullest sense, to learn as well as to teach. To illustrate, Raymond M. Seabury, secretary of the American Drop Forging Association, was interested in at least 20 ideas proposed by the visiting British steel foundry team. And one visitor to a midwestern foundry pointed out that another type of chisel might do a better job than the one being used. When he returned to the foundry the next day he was surprised, and of course pleased, to discover that his idea had been adopted. "On the basis of every team to date, we get as much out of this as they do," concluded Webb Sparks, representative of the National Association of Manufacturers. His testimony accurately represents the feeling of other Americans—farmers, organized labor, management, and specialists in various technical fields.

III

THE PROBLEM OF INTERNATIONAL TRADE

Europeans and Americans alike understand that one of the keys to a healthy world economy is increased productivity in Europe. But increased productivity is only the first step. It is not in itself enough. If Europe cannot sell, it cannot continue to produce, factories will close, standards of living will fall, and the Marshall Plan will fail. A freer flow of trade is vital to the success of the Marshall Plan.

A. The Dollar Gap

In 1949 the ECA sent to Europe a special mission to work with businessmen, labor leaders, and governmental officials on the problem of increasing European sales to America. *The Report of the ECA—Commerce Mission*, published early in 1950, begins with the following statement:

World trade is fundamentally out of balance.

Specifically, the trade of the United States with Western Europe, and with the world as a whole, is so badly unbalanced that in our own interest we must seek a fundamental solution of this recurring problem.

“The change in the relationship between the old industrial nations of Europe and the new industrial giant in the New World has been on the way for the last thirty years. The wars have accentuated but not caused the trend. It has been masked since the end of the conflict in part by American generosity, in part by the world’s desire to buy anything it could at whatever price. Now, in 1949, the underlying maladjustment between Europe and America is emerging like a reef hidden for a time under a spring tide.”²

Other countries simply are not earning enough dollars to pay for what they import from us. They have a ‘dollar shortage.’ We have a vast export surplus, which we maintain by subsidies at the taxpayer’s expense. The problem from everyone’s point of view is the problem of the ‘dollar gap.’

The foreign assistance programs such as UNRRA, civilian relief for occupied territories, and the initial phase of ECA have indeed supplied relief, repaired war damage, and speeded the process of reconstruction. But it is also true that these programs have perpetuated the dollar gap. Without these programs, or others like them, the gap would by now have been closed—at a

² *The Economist*, London, August 13, 1949.

low level of trade—through inability of other countries to obtain dollars to buy from us more than we bought from them.

It is not suggested that such an outcome would have been desirable. On the contrary, these foreign assistance programs have been essential. They have given men food, hope, and tools; kept free institutions alive; prevented chaos.

But it is time to look beyond salvaging operations. The dollar gap, it has now become clear, is a basic international economic problem. Apart from any reluctance we Americans may feel about carrying financial burdens for others indefinitely, our international commitments reflect our desire and our considered determination to cooperate with other countries in finding real solutions for basic international economic problems. Not just stopgaps.

While the dangerous implications of the dollar gap are only now beginning to be fully revealed, the gap has a history stretching back some thirty-five years. A brief look at that history will help to put the problem in its setting.

From July 1914 through 1948 the United States exported goods and services to a value of \$270 billion and imported goods and services to a value of only \$169 billion. Thus we exported \$101 billion more than we imported over this period . . .

The report from which we have just quoted at length continues with a more detailed analysis of the problem of the dollar gap, which is simply the difference between the value of goods we export and the value of goods we import. Now of course the United States can close the dollar gap at any time by the simple process of reducing its exports to a level where their value will be matched by imports. But a decrease of American exports would deprive foreign countries of products essential to their recovery, and it also would hurt American industry and employment. The desirable solution, obviously, is to close the dollar gap at the highest possible level of trade. By the summer of 1950, in part as a result of United States financial assistance to Western Europe's rearmament program, the dollar gap was temporarily closed in several European countries, but the dollar gap problem is a continuing one that will have to be faced again when the current international crisis is passed.

B. The Problem Europeans Face

Europe is, of course, in a far more difficult position than the United States. In prewar days the Marshall Plan countries earned dollars with their merchant fleets, from the tourist trade, and by selling manufactured goods to underdeveloped areas, which paid for the European goods in part

with dollars earned from the sale of raw materials to the United States. Western Europe also carried on a vigorous trade with the agricultural areas of Eastern Europe.

World War II shattered these long-established trade practices. Under the Marshall Plan, Europe, aided and encouraged by ECA, is seeking to restore them. What has been accomplished? What remains to be done?

Merchant fleets are being replaced, the tourist business has been revived, and European businessmen are energetically trying to recover old markets and win new ones. But the "East-West" trade between the predominantly industrialized countries of Western Europe and the predominantly agricultural areas of Eastern Europe has been severed by the Iron Curtain. To compensate for this loss, the Marshall Plan countries must win for themselves a much larger share of world trade than they enjoyed before the war.

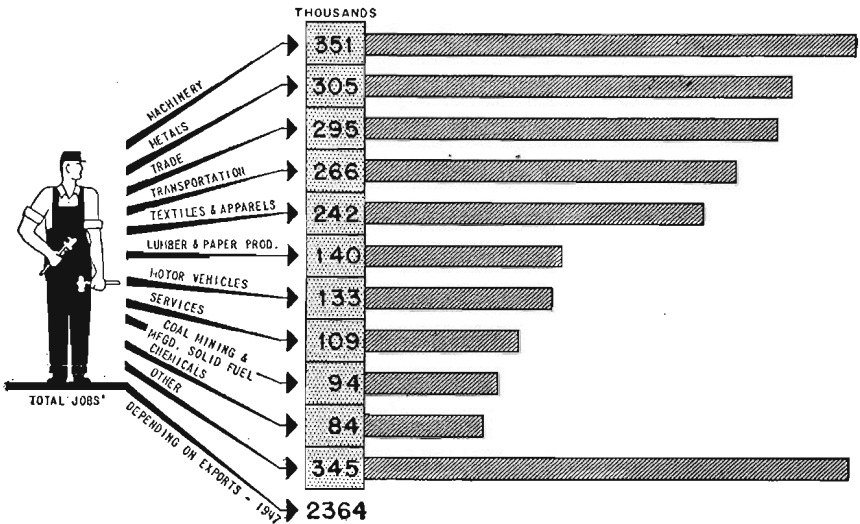
They must also find ways to solve the complex currency problem, reduce tariffs, and eliminate other restrictions that seriously cripple intra-European trade. The European Payments Union is the first step to be taken toward accomplishing this goal. It is a technical operation aimed at currency convertibility and the freeing of international trade, and it will bring the 276,000,000 people of the Marshall Plan countries a long way further on the road to a unified free trade area similar to that enjoyed by the 152,000,000 people in the 48 states of the United States.

The European Payments Union is, in brief, an attempt to create a new international currency unit, called an "ecu." We can perhaps visualize the need for such a currency by imagining what conditions would be like in the United States if each state had its own separate currency system. But the "ecu" is not a circulating currency. Actually, the European Payments Union is an international bank, a central clearing house, which keeps track of the credits and debits between countries. It also provides a stimulus to intra-European trade, for the "ecu's" have behind them \$600,000,000 of Marshall Plan money, and when a nation earns a certain number of "ecu's" it can convert a specified proportion of them into dollars.

The Schuman Plan is another projected step in this progressive program. Representatives from France, Germany, the Netherlands, Luxembourg, Belgium, and Italy are currently working out ways to eliminate trade barriers in order that coal, iron, and steel—as well as steel products—can move freely from one country to another, much as they do in the United States. When this is done, costs will fall and these countries will be in a much stronger competitive position with the United States.

By these and other measures, the Marshall Plan countries are trying to increase intra-European trade. To the extent that Western Europe succeeds in stimulating the flow of goods across European boundaries, to that extent

MILLIONS OF U. S. JOBS DEPEND ON EXPORTS



Courtesy Department of State

it will lessen its dependence upon American products and help to relieve the dollar shortage. But when everything has been accomplished that might conceivably be accomplished along these lines, Europe will still need American products, and this is important to the United States, which will always need European markets.

C. The Problem Americans Face

Contrary to an opinion shared by some Americans, the United States is not completely self-sufficient. We must import 30 of the 50 materials listed as essential by the Munitions Board, and only in 14 of these strategic commodities does the United States produce more than 20 percent of the minimum quantities required for national security. To the materials that Americans *must* import, should be added articles that they *wish* to import, such as Turkish rugs; French wines, laces, and perfumes; British cloth and china; Belgian glass; Swedish steel; and others, many of them in the specialized, non-competitive fields.³

³ Figures in this and the following paragraph on United States imports and exports are taken from *International Trade Organizations: Key to Expanding World Trade and Employment*. U. S. Department of State publication number 3882. June 1950.

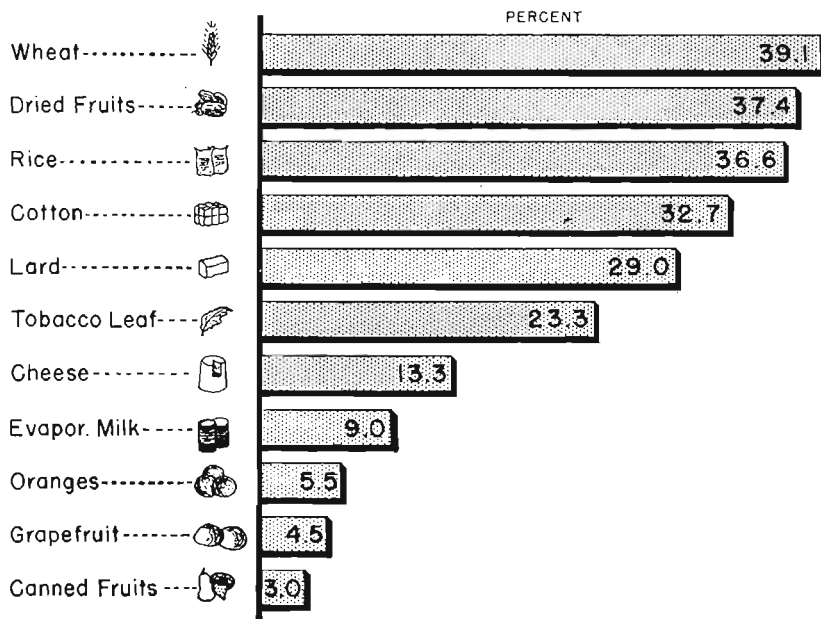
The United States must also export. The chart on this page shows the percentage of some of the most important exports in 1948. From the American point of view, exports are important because they provide wages, profits, and dividends. As the chart on page 22 reveals, in 1948 the export trade provided jobs for an estimated 2,364,000 American workers in the machine industries. The numerous American farmers whose products moved overseas should be added to this total.

If the United States continues to export as large quantities of goods as it has done in the past, it must either continue to give or lend Europeans money with which to buy the exports, or it must accept a larger volume of imports. The latter solution, which relieves the American taxpayer of a heavy burden and permits Europeans to earn the dollars they need to buy American products, is the solution recommended by ECA, the United States Department of State and the United States Treasury Department, the International Trade Organization of the United Nations, and many other agencies.

In addition to increasing imports, Americans must invest more money in Europe and the underdeveloped areas, and travel abroad in even larger

AGRICULTURE DEPENDS ON EXPORTS

PERCENT OF U. S. PRODUCTION EXPORTED 1948



Courtesy Department of State

numbers than they have done in the past. If these things are done, Americans can greatly narrow, perhaps close, the dollar gap.

The government of the United States can do a great deal to insure the success of this program. It can continue to work for lower tariff rates, as it has been doing under the Reciprocal Trade program and through international conferences such as those held at Geneva, Switzerland, Annecy, France, and Torquay, England, in the past three years. It can continue to simplify customs regulations, reducing the red-tape that makes it difficult and occasionally impossible for foreign products to move into American markets. It can continue as it has done in the past, and as it proposes to do under the Point Four Program, to provide incentives for private investment abroad by securing agreements that will protect investors from arbitrary action and insure them the right to convert into dollars a certain return on their investments.

Furthermore, the government can eliminate, or at least modify, some of the present "Buy American" regulations. Insofar as state laws are concerned, the federal government can do no more than urge reconsideration. But Congress, if it chooses, can set the pattern by tackling the problem of federal restrictions.

For instance, as matters now stand, the federal government and many state and local governments, which annually spend about \$10 billion for supplies and equipment, are required to "Buy American." Agencies of the federal government are prohibited from buying foreign materials, or goods manufactured from foreign materials, unless these products are unavailable in the United States *or* unless the prices of corresponding domestic items are "unreasonable." Now "unreasonable" has been interpreted to mean 25 percent more expensive than foreign goods, *duty included*. Obviously, this places an almost impossible obstacle in the way of the foreign producer who attempts to place a competitive bid in the United States. And it is just as obvious that these restrictions are expensive for the American taxpayer who is interested in seeing his government buy goods from the lowest bidder, all other things being equal.

By lowering tariffs, simplifying customs regulations, and modifying current "Buy American" laws, the United States government can help to close the dollar gap and increase the flow of trade. Whether or not it acts along these lines depends, of course, upon the American taxpayers and their recognition of the effect of existing regulations on their personal economy.

IV

THE RECORD SPEAKS

In April 1950, at the halfway point in the Marshall Plan, letters, telegrams, and cablegrams poured into the Washington office of ECA Administrator Paul G. Hoffman. One of the cablegrams was from the Paris headquarters of the Organization for European Economic Cooperation. It was signed by Chairman Paul Van Zeeland and Secretary General Robert Marjolin:

The Council of OEEC send you their best wishes on the occasion of this important anniversary. They are always deeply thankful for the ECA active partnership in our common endeavor. The Council also request you to convey to General Marshall how deeply grateful are the participating countries for this inspiring lead which has enabled them in the last two years to make great progress toward recovering their economic strength and to face the future with well-founded confidence.

The record itself supports this optimistic statement.

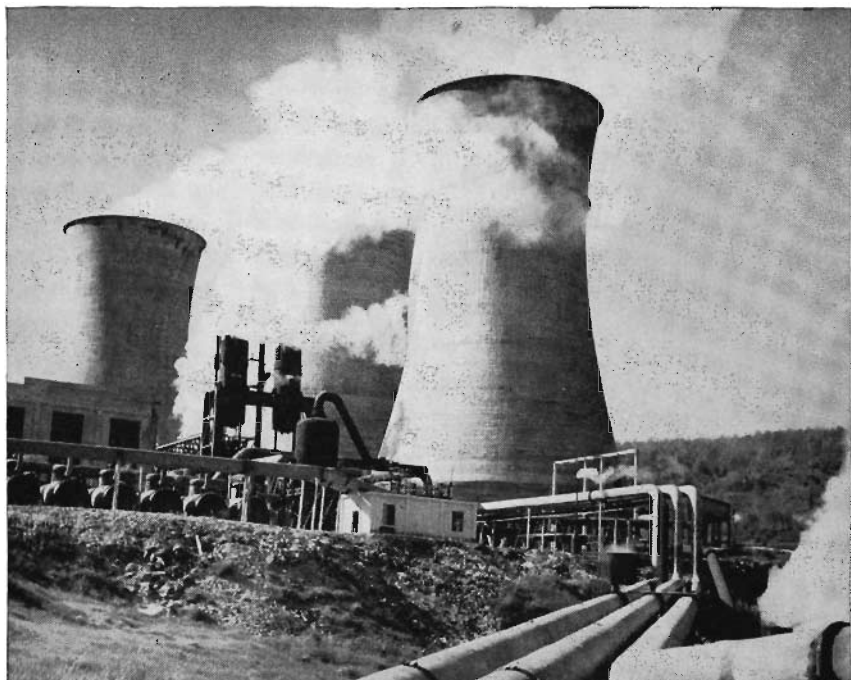
During the first two years of cooperative effort in the European Recovery Program, the Marshall Plan countries made enormous strides in retooling their farms and factories, and, what is even more significant, in boosting productivity beyond prewar levels. For example, Western Europe doubled its production of electric power—and 95 percent of the investment capital for the new plants was raised in Europe! Moreover, as we have already indicated, industrial production in the Marshall Plan countries as a whole is 20 percent above prewar levels, and agricultural yields again equal those of 1938. This increased productivity during 1948-1949 made it possible for Europe to raise its export volume by 50 percent and to bring exports to a level 10 percent higher than in prewar years. Inflation has been checked and the standard of living raised in several countries to the 1938 level.

But these are cold statistics and sweeping generalizations. More meaningful are the actual projects that Europeans have carried on with the help of ECA dollars, their own counterpart funds, and the cooperation of specialized agencies of the United Nations, such as the World Health Organization (WHO), the Food and Agricultural Organization (FAO), the International Trade Organization (ITO), and others.

A. Health

Health is a capital investment.

One of the Marshall Plan's great contributions has been the improvement of health in Europe. Statistics cannot do justice to this story, which



Italy's vital power generators at Larderello, driven by steam from geysers deep underground, were destroyed by the retreating Germans, but Marshall Plan dollars . . .

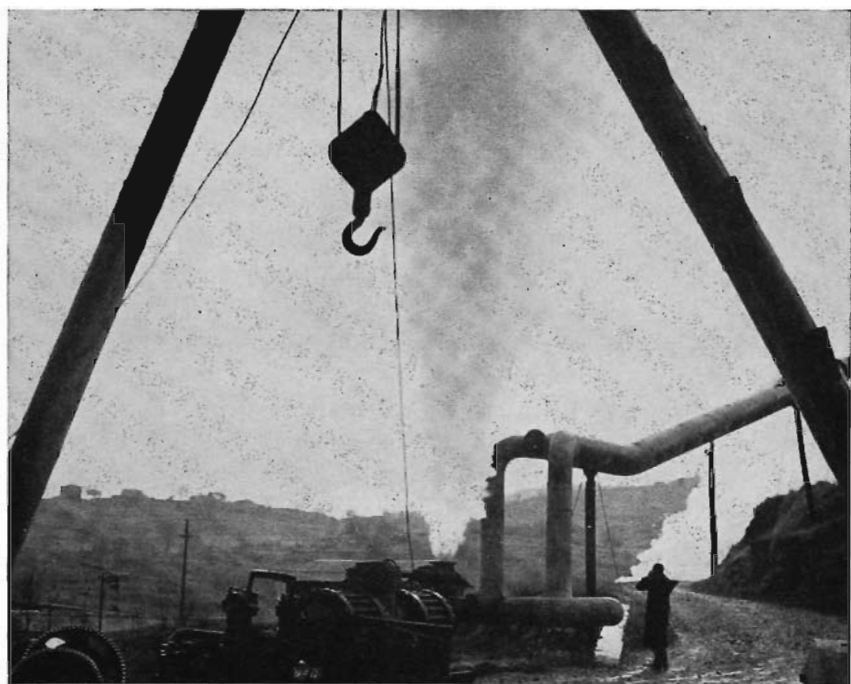
is one of human suffering and misery on the one hand, of health and hope on the other.

In 1947 millions of Europeans were inadequately fed, clothed, and sheltered; they were faced with shortages of soap, medicine, and hospital materials of all kinds. To meet the crisis, food and medical supplies were given top priorities in the early months of the European Recovery Program.

Today the picture has greatly changed. The handful of activities listed below merely suggest the numerous ways by which, with Marshall Plan aid, Europeans have recovered former standards of health and are rapidly climbing to higher levels of achievement.

There are projects on a relatively small scale: iron lungs flown to France and Italy to aid the victims of a polio epidemic; incubators installed in 19 Dutch hospitals to save the lives of premature babies and reduce infant mortality to a new low in The Netherlands. Projects of this nature, each small in terms of money spent and individuals helped, become impressive when they are multiplied by the hundreds and thousands.

There are projects involving entire countries: the French government's drive for the pasteurization and bottling of milk in an anti-tuberculosis campaign; the experimental program in Nigeria, carried on by British and



... helped purchase necessary equipment in the United States and today Larderello is producing about one billion kilowatts of electricity annually for power-poor Italian industries.

American scientists, designed to control and eliminate the tropical scourge of "sleeping sickness," carried by the tsetse fly; the virtual elimination of malaria from large areas of Greece and Sardinia by spraying with DDT and draining the marshes—with thousands of acres of reclaimed, fertile land as an important by-product.

There are other projects: cattle feed shipped to Europe to rebuild dairy herds and restore milk production to prewar levels, and higher; a new drug flown to France to treat sufferers from pernicious anemia; other drugs, such as penicillin and streptomycin, shipped to Europe, and equipment for producing them locally installed in a number of the Marshall Plan countries; ECA-financed machines, which cut the time for processing soap from five days to two hours installed in the Doboelmann Soap Works in Holland; fresh water systems for cities in Algiers and Italy, built with counterpart funds and designed to replace the older method of buying drinking water from street peddlers, who sold it, germs and all, for about one cent a gallon.

B. Housing

It would have been ironical to try to improve the health of Europeans if, at the same time, efforts had not been made to provide shelter. Indeed,

it was obvious from the outset that without adequate food, clothing, and housing the workers would lack the energy necessary to carry on the recovery program. Housing, like health, is a capital asset.

Take, for example, the port city of Le Havre, France. A terrible raid on September 5, 1944, left the city and harbor a ruined, blackened shell and the Germans destroyed the little that was left when they were driven out in the closing months of the war. About 12,500 of its 19,500 buildings were completely destroyed, and 4,500 more were damaged. By 1945 the prewar population of 165,000 had been cut in half, with only 77,000 people still clinging to life in the city, and many of them living in cellars, caves in the rubble, and temporary shacks built with scraps of lumber. Water and gas mains, light and power lines, sewers—all were destroyed. Today a new city, rebuilt with the help of counterpart funds and ECA dollars, is rising on the ruins of the old. And this is literally true, for the mountains of rubble now provide a foundation three feet higher than the old ground level.

Jump across the continent to Trieste, where the ECA approved an expenditure of two billion lira of counterpart currency to build 1,143 new apartments and to repair 23,572 others.

Or look at the Dutch city of Nijmegen, reduced to ruins by the Germans, now being rebuilt (not restored, for Dutch architects have planned a new and modern city to replace the old) with Dutch counterpart guilders.

American citizens, themselves faced with serious housing problems, have sometimes criticized ECA officials for approving housing projects abroad. The critics have not all understood that counterpart funds, not dollars, have financed these projects.

C. Agriculture

The food situation, like health and housing, was critical when the European Recovery Program was started. Apart from purely humanitarian considerations, food was a capital asset, for undernourished men and women could not hope to rebuild Europe. Moreover, the loss of trade with the agricultural regions of Eastern Europe made it more important than ever for the Marshall Plan countries to increase food production.

Measures to solve this problem have ranged from small projects affecting a few individuals to programs involving large areas of a country. Representative of numerous small-scale projects is the sale of tractors, fertilizer, seeds, cattle feed, and equipment of all kinds to owners of farms.

There are larger projects in which the ERP is trying to substitute better farming methods and machinery for century-old practices and equipment. For example, in Morocco tractors and steel plows and cultivators are replacing camel-drawn wooden plows and farm practices similar to those used in the days of Mohammed, with the result that production has been

increased in many places by as much as 700 percent. A second illustration of how the ERP is tackling this problem is the development of 4-H Clubs in Austria and elsewhere throughout Europe. Working together in small groups, the boys and girls of Europe learn, as American boys and girls learn, not only to farm better, but how to work and live together in a democratic society. A third method being used to encourage better farm practices is the Technical Assistance Program under which American agricultural experts have visited Europe and European farmers have been brought to the United States from Turkey, France, The Netherlands, Denmark, and other Marshall Plan countries.

American contributions to increased farm production in Europe also include the introduction of better seeds, such as hybrid corn (2000 tons for Italy alone in 1950), and improved insecticides and "weed killers" such as "2 4D," called "the magic medicine" by Greek farmers.

Large areas of land are being reclaimed in many of the Marshall Plan countries. For instance, in The Netherlands, the people of Walcheren Island, which had to be flooded to block the Nazi advance during the war, have rebuilt their dykes, pumped out the sea water, and restored their houses and their land, while the Zuyder Zee reclamation project is reclaiming immense areas of fertile land. In France, thanks to the efforts of 650 owners of a desolate swamp who organized a corporation to clear and drain the land, about 5,500 acres of rich soil at the mouth of the Seine River have been put into production. Greece, with Marshall Plan aid, plans before 1952 to add to her resources an agricultural area about six times the size of the state of Rhode Island, increasing her total arable land by 10 percent. Italy has given land reclamation projects a top priority, and when current plans are completed the Italians will have added several million acres of arable land to their economy by draining swamps and irrigating arid regions. Throughout Europe similar projects are being carried on, all partially financed and made possible by American aid.

D. Industry

As we have seen, by the summer of 1950 Western Europe's rebuilt industries were producing 20 percent more goods than they had in 1938. For the story of how this has been accomplished we must travel from one end of Europe to the other, looking at make-shift shops owned and manned by individuals, as well as at huge mills and factories corporately owned and operated.

The value of ECA aid to any given project cannot be measured in terms of the dollars involved. In Iceland, for example, the delivery of one electric wool-washing machine capable of washing the island's entire wool output (about 600 metric tons annually) has restored the island's wool industry. Or take the case of Mr. Hansen, the Danish bicycle manufacturer, who, through inability to get ball bearings, had no alternative but

to close his factory. He had the necessary money, but in kroners, not in dollars. His appeal to the Danish government produced immediate results. The ball bearings were flown from the United States to Denmark on an emergency order and the bicycle factory continued in production. To show his gratitude, Mr. Hansen named his product the "Marshall Bicycle," and sent four to the United States as gifts to American school children. Or take the case of the Dutch war veteran, who, because of war-incurred disabilities, was unable to return to his old trade of carpentry. He began to make folding rules in a shed behind his house, using a washing machine motor to drive a circular saw. Today, with machinery secured through the ECA, he operates a prosperous business, exporting many of the folding rules to countries overseas.

The Marshall Plan has touched almost every aspect of Europe's numerous and varied industries. The fishing fleets of Denmark, as well as those of Greece and Trieste, have been rebuilt and equipped with new nets, depth recorders and other devices converted from war purposes; laboratories and offices have been provided with scientific apparatus and office machines; the textile industry of Austria, so badly hit by the war that at one time schools were closed during the winter because children had no warm clothing to wear, has been restored to 1938 levels of production with the aid of new machinery and supplies of raw wool, cotton, and rayon; mines, oil refineries, and steel works from Turkey to Norway are turning out an ever-rising volume of raw materials for Europe's industrial machine.

E. Transportation and Power

The revival of Europe's economy would have been impossible if the European Recovery Program had not pumped new life into the arteries of transportation and built new power plants to drive the engines and the factories. Symbol of this type of reconstruction is the huge railway terminal at Rotterdam, now rising out of the ruins. Along the route of the historic Appian Way between Rome and Naples, which was an artery for the armies of World War II, new bridges, modern housing, and new stations are being constructed. The Corinth Canal, an important trade route between the East and West, destroyed during the war, is once again alive with shipping; on the ancient Rhine new giant hydro-electric plants are being constructed; the equally ancient Rhone also is being harnessed to add two billion kilowatts of electricity to the French power supply, and to bring life-giving water, carried through irrigation canals, to large areas of southeastern France.

All this, and much more, is the story of the Marshall Plan at work in Europe. It is the story of how Europeans by tremendous effort, aided by their own counterpart money and American dollars, equipment, and advice, are rebuilding a large part of a continent. The record is visible everywhere.

WHAT EUROPEANS THINK ABOUT THE PROGRAM

On the whole, leaders in the Marshall Plan countries who know what has been accomplished under the program are enthusiastic in their approval. They are quick to admit that during 1948 and 1949 the Marshall Plan helped them to draw back from the brink of economic disaster and the threat of Communist revolution.

A. Public Opinion in Europe

What of the average citizen—the farmer, the housewife, the proverbial man in the street?

During 1949, surveys were conducted in Norway, Denmark, The Netherlands, France, Austria, and Germany by private, independent organizations, technically equipped to do the job competently and objectively. The surveys revealed that about 80 percent of the public knew about the Marshall Plan, and that most of this group strongly endorsed it. But they also showed that from 5 to 9 percent of the people interviewed were opposed to it, and in France the opposition was almost doubled.

The virtually complete ignorance of nearly one out of every 5 Europeans, and the outright opposition of between 5 and 9 out of every hundred, is worth some comment. Both ignorance and opposition are easily explained, but not so easily overcome.

ECA officials, charged by the Foreign Assistance Act with the responsibility of making Marshall Plan objectives and operations clear to Europeans, realized from the beginning that they had a difficult job on their hands. Difficult though it was, the job had to be done, for the success of the program depended upon unreserved cooperation. An understanding that the program was a great joint undertaking, that they shared with others the responsibility for making it a success, would provide a vital stimulus to the people of the Marshall Plan countries.

The counterpart fund system, essential though it is to the program, has, because of the very nature of its operation, proved a barrier to understanding. The French farmer who pays francs for a tractor finds it hard to understand that that tractor with the ECA emblem on it is actually a gift from America to France. And Americans, on the whole, do not realize that the foreign consumers pay for what Americans have given.

On the other hand, Europeans have gradually realized that the great public works they see in various parts of their countries, such as hydro-electric projects, airports, railway stations, and roads, which carry the familiar ECA emblem, have been made possible by American generosity operating through the counterpart funds. This is probably why, by 1949,

4 out of 5 Europeans *did* appear to know about the Marshall Plan program.

In their efforts to acquaint Europeans with the goals and activities of the Recovery Program, officials have used a number of methods, varying from country to country. In Italy, strolling minstrels have carried the Marshall Plan story from village to village. Trucks with sound equipment have brought documentary films of the Marshall Plan in operation to countless small towns throughout Western Europe. These films, some 50 of which had been produced by the summer of 1950 (all with ECA's 5 percent administrative share of the counterpart funds), have been well and widely received.

Less direct educational methods have also been employed. For instance, fairs in which exhibits of a country's products and resources share the spotlight with ERP activities have been highly successful. In the summer of 1950 ECA went even further. Advantage was taken of the prevailing winds across Northwestern Europe to let loose from a Marshall Plan fair, as it moved from city to city, thousands of small balloons which carried a message of friendship and goodwill to those living the other side of the Iron Curtain. A significant number of cards attached to the balloons have been returned with appreciative messages.

B. European Criticisms

In view of the record and the publicity that has been given to ERP accomplishments, how is it that we still find hard streaks of opposition in certain Marshall Plan countries? The answer is that much of the opposition is Communist-inspired. For example, in France, where about one out of every 6 people expressed antagonism to the program, the French Communist Party polled about one-third of the votes in the last general election.

What are some of the major criticisms of the Marshall Plan that you will hear if you travel in Europe? These questions have been answered by ECA's Office of Information in a small booklet prepared "for Americans going abroad:"⁴

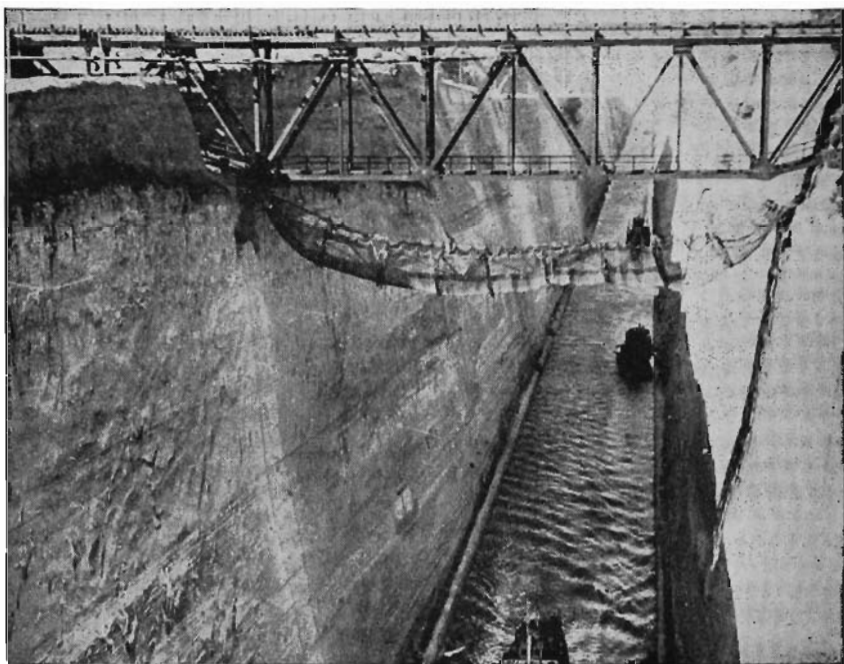
First: It will be suggested that the U.S.A. is a warmonger and imperialistic; that the Marshall Plan is just our way of getting control of the member countries so we can exploit their labor and loot their resources.

You will be able to point out that the facts show the very contrary to be true. The U.S.A. has sent to Marshall Plan countries millions of tons of food and coal and raw materials which were in great demand in our own country. Furthermore, we are helping

⁴*Information on the Marshall Plan for Americans Going Abroad.* Available upon request from the Office of Information, Economic Cooperation Administration, Washington 25, D. C.



War damage to the Corinth Canal in Greece crippled vital East-West shipping . . .



. . . but thanks to counterpart funds, the canal is again open to travel.

Europe to build up her own production in order to make her *independent* of special help from us. The only goal of the Marshall Plan is to make Europe self-supporting once more; for we have recognized that sound and healthy economic conditions in Europe form the strongest bulwark for international peace.

Wars breed when people are so needy, desperate and hopeless that they reach out to seize the lands and goods of their neighbors. Wars also come about when the aggressors feel that a country they want to conquer is so weak in spirit and in economic standing that it will offer no resistance. The European Recovery Program, by increasing production and building toward a better standard of living, strengthens faith in democratic governments and fortifies the will and ability to resist aggressors from within and from without.

Second: You probably will be told also that the Marshall Plan was launched to prevent an American economic collapse. This is true in the sense that economic chaos in Europe would inevitably damage our own economic prosperity, just as it is true that the restoration of economic health in Europe will strengthen our own economy and increase our welfare. But the primary purpose of the program is *to rebuild the foundations of lasting peace.*

Third: The argument you may most frequently hear is that the Marshall Plan is a means of imposing the American economic system on Europe. The answer to that one is that we are doing everything in our power to make our technical experience and 'know-how' available to the participating countries. ECA officials advise constantly with these countries on procedures which will facilitate their economic recovery. The degree to which these countries find it necessary to exercise direct control over economic processes is a matter for them to decide. Nor does ECA interfere in their political procedures.

To this list of major criticisms, all of which follow the "party line," we might add one other. Now and then you will hear a European accuse ECA of playing favorites. Take the case of the farmer with the new tractor. His neighbors are envious. "Why can't we have new tractors?" they sometimes ask. "Whom do you have to know to get them?"

People who ask these questions do not realize that the national allocation of ECA-financed goods is a matter decided entirely by the authorities within that country. It is evident that this type of criticism, like so many others, rises out of a lack of understanding of the basic operation of the program. In Europe, as in America, it is a problem with which the ECA has continuously had to cope.

VI

WHAT AMERICANS THINK ABOUT THE PROGRAM

American reaction to the Marshall Plan ranges up and down the scale, from enthusiastic approval to blunt opposition. Typical of those who give qualified approval is the Mid-Western workman who, when asked for his opinion, replied: "I don't know much about it, but I figure it this way. I carry life insurance to protect my family, and this seems to be sort of an international life insurance policy."

A. Public Opinion in the United States

In the United States, as in Europe, an individual's enthusiasm for the Marshall Plan is apt to be in direct ratio to his knowledge about it. One example of this point is the reaction of a group of 15 editors who, early in 1950, made a tour of the Marshall Plan countries to see for themselves what was happening. They paid their own way because they wanted to be completely free to describe what they saw. Before the trip, several of the editors had serious misgivings about the program. As the picture unfolded before them, however, misgivings changed to approval. "When I left this country I had doubts as to the value of the Marshall Plan. . . ." wrote the publisher of *The Patriot Ledger* of Quincy, Massachusetts. "I do not like high taxes anymore than anyone else," he continued. "But after what I have seen on this trip, I am convinced that that part of my taxes going to the Marshall Plan is very well used and very well administered." From the editor of *The Register and Tribune* of Des Moines, Iowa, came even more fulsome praise: "Its original purpose was simply to stave off economic collapse and turn Europe toward a vital recovery of economic health and democratic vigor. In this it has already succeeded far beyond expectations. Measured by this standard alone, its achievements can fairly be labeled 'triumphant.'" And the editor of *The Toledo Blade* of Toledo, Ohio, called it "the noblest experiment in history."

At about the same time as the 15 editors were touring Europe, a sampling of American views was taken by the American Institute of Public Opinion. According to the poll, only 65 percent of the people interviewed seemed to have a generally correct knowledge of the program. This group was then asked: "Do you think Congress should or should not vote about three billion dollars which has been requested by the President to continue the Marshall Plan program for the coming year?" About 35 percent replied that they were not well enough informed to venture an opinion; 8 percent stated simply that they had no opinion; 26 percent said that Congress should not grant the money; and 31 percent voiced their approval. The results of the poll become more revealing when they are analyzed in terms of the educational backgrounds of the people interviewed. As the

table below indicates, college-trained people were the best informed and the strongest supporters; people with only a grade-school education were poorly informed and weak in their group support.

Public Opinion and the Marshall Plan

	Should	Should Not	No Opinion	Not Informed
College -----	59	26	7	8
High School ----	36	28	8	28
Grade School ---	17	24	8	51

On the basis of this evidence, Americans do not appear to be as well informed about the Marshall Plan as Europeans are; and even among the informed group there is a larger degree of doubt as to the value of ECA aid. In our search for an explanation of this situation, we should remember that ECA's information program for American citizens was a year late in getting started. But there are other reasons for American ignorance.

For one thing, the Economic Cooperation Administration bears an uninspiring name. People have a tendency to shy away from the word "economics," which conjures up a vision of endless tables of confusing statistics.

In the second place, it is not easy for Americans to understand how they benefit from the program. The average taxpayer must be satisfied with long-range, indirect gains—the stabilization of Europe and a larger measure of well-being in the world. It is not easy for an individual to whip up enthusiasm for goals as far-removed as these, however important he may recognize them to be. There are, of course, many Americans who benefit directly and immediately from the Marshall Plan. Among them are farmers, businessmen, and wage earners in certain industries. But even among this group many do not realize that they are directly profiting from ECA aid to Europe. Frequently, the owners of small manufacturing plants supplying parts under subcontract to larger industries are not aware that they are producing for export to the Marshall Plan countries, and the wage earners have even less reason to know the facts.

B. American Criticisms

Critics of the Marshall Plan sometimes charge that "The United States is pouring money down a rathole." When the plan first started, ECA officials could only reply, "Wait and see." After the first year they could refer, as General Marshall did, to the accomplishment of "a near miracle." Only in the final accounting can this criticism be fully answered.

Then there are the criticisms that cancel each other. Some critics claim that ECA is interfering with the governments of the Marshall Plan countries in an effort to impose the American economic system upon Europe. On



Counterpart funds have been used to restore thousands of acres of unproductive lands in Greece . . .



. . . thereby materially increasing the output of rice and other crops necessary to feed a growing population.

the other side of the fence are critics who argue that by its refusal to impose restrictions upon the governments of Marshall Plan countries, ECA is actually helping to strengthen socialism. ECA officials have answered both of these criticisms by pointing out that in their dealings with other countries they are bound to respect the provisions of the Foreign Assistance Act of 1948, which gave them no authority to interfere with the politics of any country. However, in cases where conditions have been found which militate against economic recovery, ECA, in view of America's large contribution, has felt it had the right and even the obligation to suggest the institution of basic reforms in order to eliminate the unfavorable conditions. Instances of this would be land reforms and tax reforms.

A certain amount of criticism has also come from the owners of small businesses, who have sometimes felt that they were discriminated against in favor of large industries where export orders were involved. The ECA, acting under an amendment to the Foreign Assistance Act, established an Office of Small Business in Washington and organized a system of field counselors throughout the United States with the express purpose of providing all possible advice and information to small businessmen interested in placing orders in the Marshall Plan countries.

These criticisms have diminished in strength as the purposes and accomplishments of the Marshall Plan have become clearer. By the end of 1950, Americans continued to disagree as to the *amount* that the United States could afford to spend on the European Recovery Program. But most informed leaders, in and out of government, were convinced that the Marshall Plan was an investment in American, as well as European, economic stability, if peace can be maintained; and in American, as well as European, security, if war should come.

VII

ECA AND THE FAR EAST

Just as the European crisis of 1946-1947 focused attention upon Europe and produced the Marshall Plan, so the Korean crisis of 1950 focused attention upon Asia and convinced millions of Americans that a program of equal ingenuity was needed for the Far East.

ECA officials and other government leaders did not need the rude jolt of Korea to bring them to this conclusion. From the first days of the Marshall Plan they had been aware of the fact that European recovery was ultimately dependent upon peace and economic health in other areas of the world, including the Far East. By mid-1950, when the eyes of the world were turned toward Korea and all of Southeast Asia, ECA had, with limited resources for the purpose, already studied the problem and developed certain techniques for solving it.

What, in brief, is the problem?

A. The Problem

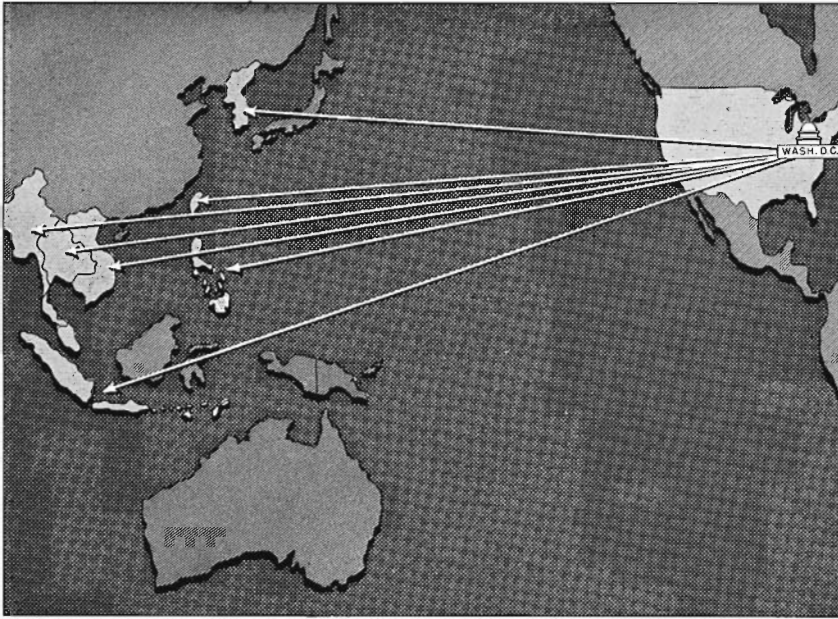
There are in Asia about 800,000,000 people who "could teeter toward the West—or totter toward the Kremlin," Eric Johnston recently declared. These people, he added, might have "large misgivings about Communism, but I haven't noticed any wild enthusiasm among them for the West, either before America came into Western world leadership—or since."⁵

America's job is to make sure that these hundreds of millions of Asians will "teeter" toward the free world. Europe, and to a lesser extent the United States, needs the raw materials and the markets of Southeast Asia. Moreover, before a balanced world economy can be secured, productivity and living standards must be raised in the underdeveloped areas. And, finally, national security and world peace itself depend in large part upon the solution to the Asiatic problem.

The race today, in Asia as elsewhere, is between Communist promises and democratic performance. No informed person thinks that it will be an easy race. During several centuries of Western imperialism, the people of Asia learned to distrust the West. The Communists are doing everything in their power to fan this distrust into a consuming fire. The Communists are also trying to convince the Asiatics that only through Communism can they hope to win the revolutions now convulsing the Far East.

The term "revolutions of rising expectations" has been used to describe the mass movements through which the huge populations of the Asiatic

⁵ Mr. Johnston, who is president of the Motion Picture Association of America, and a member of the ECA Public Advisory Board, made this remark in an address before the National Conference of Christians and Jews on November 11, 1950.



STEM (Special Technical and Economic Missions) are operating in Thailand, the three Indo-Chinese states of Vietnam, Cambodia and Laos, Indonesia, Burma and the Philippines. For some time ECA has also been operating in Formosa and Korea.

countries are seeking to improve their living conditions. The Asiatics want larger opportunities to secure better food, clothing, shelter, health, and education. They are demanding a larger share of the fruits of their labor. If they do “teeter” toward the West, it will be because they are convinced that as free partners in the free world they can best satisfy their basic wants and realize their “rising expectations.”

B. ECA Activities in the Far East

With the passage of the China Aid Act of 1948, Congress selected ECA as the agency to begin the attack upon this problem. In the act, Congress authorized a Joint Commission for Rural Reconstruction in China. The commission, composed of three Chinese and two Americans, immediately went to work. But let Harlan Cleveland, Deputy Administrator of the China Program, tell the story:

One of their first steps was to visit around in the farming areas, talking to individual peasants. They were trying to find out what the “felt needs” were. The farmers told them, and some of the Commission members were surprised to find that the average Chinese peasant was mostly interested, not in increasing the amount he produced, but in the distribution of existing agricultural

income—not in the size of the pie, but in his slice. That wasn't how they said it, of course. They spoke of cruelly high rents and short insecure tenancy contracts. They described marketing arrangements that left only a minor part of the crop for the producer himself, and extortionate interest rates that took most of what was left. Although the Communists were making a great show of liquidating landlords and dividing up their land, the Commissioners found tenant farmers more interested in getting a fair share of what was produced than they were in undertaking all the obligations of land ownership.

So the JCRR talked the governments of several Chinese provinces into enforcing drastic reductions in rents—typically from 60 percent to 37½ percent of the crop—and putting into effect a longer-term lease that gave some feeling of security to the tenant.

Almost immediately the JCRR found the farmers developing a great interest in improvements that could help increase productivity. Now that the landlord wasn't going to get most of it, an increase in yield began to look mighty attractive.

As the JCRR's technical assistance program got into full swing, the Commissioners learned some more useful lessons about how to conduct a real grass-roots operation in Asia. They found there was a great advantage in dealing with local groups that had already done something for themselves, and were not just looking for a handout. They found that a technician was little use unless he was backed up by some material aid. Benefits, political and otherwise, began when the dyke actually was built, not when a foreign expert wrote a report showing how it ought to be done *if* somebody could find the money.

And when the Communist invasion reached into Szechwan and Kwangsi and Fukien where the program had been operating, they found that the real grass-roots resistance to the invaders came for the most part from the very counties where the program had gotten ahead most rapidly.

Driven from China proper by the Communist conquest, the Joint Commission on Rural Reconstruction promptly applied its newly-learned lessons on the island of Formosa. This effort, coupled with a commodity aid program, has resulted in lower land rents and increased rice production, both essential for a workable economy on the island.

Meanwhile, in 1949 ECA inherited from the Army the job of helping South Korea get on its feet. Within a year industrial production had risen 65 percent and the people were producing enough food to permit some exports.

Encouraged by these early experiments, and increasingly aware of the

need for immediate action, the Department of State in the spring of 1950 sent a mission to Southeast Asia. Headed by Allen Griffin, a California publisher and editor, the mission returned with strong recommendations for a vigorous program of United States economic and technical aid. In line with these recommendations, ECA missions were organized for Burma, Thailand, Indo-China, and Indonesia. Thus, before the Korean crisis ECA had quietly laid the foundations for a greatly-expanded program of economic aid to the Far East. And as a result of the recent *Bell Report on Economic Conditions in the Philippines*, ECA is also establishing a mission there to aid in building health and restoring economic stability.

C. *The Challenge of Korea*

When, on June 25, 1950, the Communists launched a violent attack upon the Republic of South Korea, the United States and the United Nations, separately and jointly, were forced to revise drastically their policies for the Far East. Supported largely by American blood and treasure, the United Nations moved at once to drive the aggressors from Korea. This action "marked a turning point in history, for it showed the way to an enforceable rule of law among nations," Secretary of State Acheson declared in an address before the General Assembly of the United Nations on September 20, 1950. But, he continued, military action is only a prelude to the larger problems that we must face and solve. For years, he pointed out, the United States and other countries, working individually and through the United Nations, have been waging the war against want.

"Now a vast opportunity awaits us to bring, by such means as the United Nations have been developing, new hope to millions whose most urgent needs are for food, land, and human dignity.

"These efforts, and this experience, *if concentrated on areas of particular need* (our italics) can have a combined impact of exciting proportions.

"The place to begin is Korea.

"Just as Korea has become the symbol of resistance against aggression, so can it become also the vibrant symbol of the renewal of life," Secretary Acheson said.

By the end of 1950, with the Chinese Communist armies pouring into Korea, the prospect for an early peace seemed remote. But the fact remained that Korea was a "turning point in history" and a continuing challenge to the free peoples of the world.

VIII

THE MARSHALL PLAN AND AMERICA'S FOREIGN POLICY

One of the most world-shaking events of the first half of the twentieth century has been the reluctant acceptance by the United States of world leadership. This, in brief, is the measured opinion of Arthur M. Schlesinger, Harvard historian.

How are Americans meeting their responsibilities?

A. Economic Aid

As we look back over the past several years we see a rapidly developing foreign policy which, however weak it may or may not be in certain parts, reveals as a whole a maturing conception of America's role in the world. Between 1944 and 1947, for example, the United States provided about 11 billion dollars for the relief of peoples in the war-devastated areas. Part of this sum was administered by the United Nations Relief and Rehabilitation Administration (UNRRA), to which the United States contributed 70 percent of the total budget. The rest of America's assistance was furnished directly through a series of programs known as interim aid. In these desperate years, American generosity was a bright and shining light. But the programs through which this generosity found expression were, for the most part, stop-gap measures in the form of direct relief.

The Marshall Plan was an original and creative approach, "a cure rather than a mere palliative," to use General Marshall's own words. Through the European Recovery Program, the United States joined Western Europe in an organized effort to rebuild the economic, social, and political foundations of an entire continent—and only the refusal of the Soviet Union and its satellites to take part in the program prevented it from operating in all parts of Europe.

While the Marshall Plan was gaining momentum, President Truman in his Inaugural Address of January 20, 1949, announced a second plan. "We must embark," he said, "on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas . . . we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life. And, in cooperation with other nations, we should foster capital investment in areas needing development."

This Point Four Program, as it is called, will be a logical companion to the Marshall Plan. Together they reveal America's unfolding strategy in the world-wide campaign against poverty, disease, and ignorance—conditions which breed wars and revolutions. Both of the programs are

mixtures of generosity and self-interest. Both recognize that as a world leader the United States has a moral obligation to help less fortunate people. Both are based on the premise that the surest defense against Communism is to help people everywhere secure for themselves a decent standard of living and a fuller measure of freedom. Both accept the fact that peace and economic health are indivisible, that the United States can be secure and prosperous only in a world that is secure and prosperous.

The Marshall Plan, the Point Four Program, the increasing dependence upon the United Nations, the unfolding program for enlisting the peoples of Latin America, Africa and the Far East in a cooperative campaign to rebuild the economic foundations of a free world—all of these activities reveal a growing awareness of the responsibilities of world leadership, and an increasing capacity, both in the United States and in other countries, to work together toward commonly accepted goals.

B. Collective Security

American efforts to strengthen the free nations of the world have proceeded along two parallel lines. The United States is trying to build a strong and healthy world economy by means of the Marshall Plan, the Point Four Program, and other economic and financial programs that it is carrying on both independently and with the United Nations. It has, in addition to strengthening its own national defense establishment, also tried to build a system of collective defense by means of the North Atlantic Pact, the Mutual Defense Assistance Program, and the United Nations. The two broad programs lock and interlock at many points. Each depends upon the other, and each helps to shape the other.

In March, 1948, even before the European Recovery Program began to operate, five Western European nations joined in a 50-year mutual defense alliance, popularly known as Western Union. The five nations—United Kingdom, France, Belgium, The Netherlands, and Luxembourg—proposed to pool their military resources under a joint command.

Three months later, in June, the Senate of the United States approved by an overwhelming vote of 64 to 4 the Vandenberg Resolution authorizing the government to develop collective defense arrangements within the United Nations Charter. The result, following extended discussion with the Western Union Nations, was the North Atlantic Treaty, which was ratified in June 1949. By this agreement the United States joined the Western Union Nations and other European countries in a defensive alliance aimed at restoring and maintaining the security of the North Atlantic area. Article 3 of the treaty stated that “the Parties, separately and jointly, by means of continuous and effective *self-help and mutual aid* (our italics) will maintain and develop their individual and collective capacity to resist armed attack.” Here we see the principles of “self-help



One of the Marshall Plan's greatest contributions has been the improvement of health in Europe.

and mutual aid," principles developed into a working program in the Marshall Plan, now being applied to a balanced system of collective defense.

With the passage of the Mutual Defense Assistance Act in September 1949, Congress undertook to provide arms and equipment to the North Atlantic Pact countries, as well as to other key nations where "situations of strength" needed to be built—Greece, Turkey, Iran, Korea, the Philippines, and "the general area of China." The original authorization of \$1,314,010,000 for 1950 and 1951 was drastically revised upward when the Korean crisis developed in the summer of 1950.

"In general," the Department of State pointed out in a recently-published bulletin,⁶ "The pattern of military aid is similar to economic aid. As in the European Recovery Program, the United States made a separate agreement (bilateral treaty) with each country receiving aid. Each agreement reflected the needs of the particular country, what it could do for itself and what was necessary in the way of help from the United States. In every case we reserved the right to make the final decision.

"Following the economic-aid pattern, military assistance is based on a coordinated European plan. Part of our aid is in the form of finished

⁶ *Our Foreign Policy*. Department of State Publication 3972. September 1950.

weapons; some of it consists of raw materials which can be manufactured by the receiving countries."

How does the defense program affect the economic aid program, and, more specifically, the Marshall Plan? Obviously, it places new and heavy burdens upon both the United States and Europe. Many basic industries will have to shift from the production of consumer goods to the production of armaments. Europeans, who by 1950 had recovered from the war and were looking forward to building an integrated European economy during the final two years of Marshall Plan aid, must now divert a very considerable part of their effort to the job of rearmament.

Fortunately for Europeans, for Americans, and for free peoples everywhere, the Marshall Plan has restored Western Europe to a position where the member countries can now contribute mightily to the program of collective defense. As ECA's Deputy Administrator, Richard M. Bissell, Jr., recently declared, "the great effort of Europeans, strengthened by the flow of ideas and dollars set in motion by the Marshall Plan, has produced a group of allies in Western Europe that is economically stronger, that is socially more closely knit, that in every way represents a vastly greater asset as we weigh our position against that of the Soviet Union and the Soviet satellites."

If, behind a shield of military power, free peoples can develop the formula of "self-help and mutual aid" on a global scale, democratic and bloodless revolutions can be set in motion everywhere in the world. This is the supreme challenge of our time. If it is met, the second half of the twentieth century may well witness the greatest flowering of civilization that man has seen in his long march through the centuries.

STUDY GUIDE

This study guide consists of two parts. Part one contains a number of questions. Part two includes a list of films, filmstrips, and suggestions for further reading.

As a preliminary step in the study of the Marshall Plan, a discussion group might find it advantageous to conduct a public opinion poll of the students in a classroom or the student body of an entire school; the membership of a local civic association; or the citizens of a small community or of a section of a large city. Answers to a few direct questions, once they are tabulated, will be extremely revealing and should provoke a great deal of interesting and pointed discussion. A useful guide for those wishing to conduct a poll is "How To Take A Survey of Public Opinion." This 8-page leaflet was prepared by Richard W. Burkhardt and Michael O. Sawyer for the National Council for the Social Studies. It sells for ten cents. Write to 1201 Sixteenth Street, N.W., Washington 6, D. C.

Interest in the Marshall Plan might also be aroused by an exhibit of posters. One of these, "ECA At Work," reveals in photographs and explanatory comments the purposes and activities of the European Recovery Program. Twenty-five others, prize-winners in an ECA-sponsored contest held in the Marshall Plan countries, reveal in full color European conceptions of the purposes of the European Recovery Program. All of these posters will be mailed at no cost to persons requesting them. Write to ECA, Office of Information, 800 Connecticut Avenue, Washington 25, D. C. After the Marshall Plan has been studied, members of a discussion group might wish to sponsor a local contest for the best pictorial characterization of Marshall Plan purposes.

PART ONE

Questions

I. WHAT IS IT—AND WHY?

What Are the Facts?

1. What was "the European crisis" that prompted the Marshall Plan?
2. How were American prosperity and security endangered by the European crisis?
3. What were the essential parts of the proposal made by Secretary of State Marshall in his Harvard address?
4. What are the larger purposes of the Marshall Plan?

Questions for Discussion:

1. What alternatives to the Marshall Plan could the United States have proposed in 1947? Would these alternative programs have served the same purpose?
2. What did General Marshall mean by the statement that the Marshall Plan was "a cure rather than a mere palliative"?
3. Why did General Marshall say that the "initiative . . . must come from Europe"?
4. Was ECA Administrator Paul G. Hoffman being realistic when he declared, "I think . . . that America, in helping the free peoples of the world to remain free and gain in strength, is living up to its best traditions and will, itself, gain in strength by so doing"?

II. HOW DOES IT WORK?

What Are the Facts?

1. Why do we use the phrase "from people to people" to describe the Marshall Plan?
2. How much does it cost Americans? Europeans?
3. What can the European people expect to gain from the program? The American people?
4. What is the relationship between the Economic Cooperation Administration and the Organization for European Economic Cooperation?

Questions for Discussion:

1. Is it correct to state that "The Marshall Plan is one of the most significant demonstrations of international cooperation in peacetime history"?

2. The counterpart fund has been called a "social invention" without which the Marshall Plan would have been impossible. Is this a reasonable statement?
3. Could the Marshall Plan succeed without the Technical Assistance Program?

III. THE PROBLEM OF INTERNATIONAL TRADE

What Are the Facts?

1. What is the dollar gap?
2. In terms of trade, why is Europe in a more difficult position than the United States?
3. What is the European Payments Union? The Schuman Plan? How can these two programs stimulate intra-European trade?
4. To what extent is the United States economically dependent upon other countries?
5. What steps can the United States take to increase the flow of trade?

Questions for Discussion:

1. Why is the dollar gap a basic international economic problem?
2. Why is it important for the United States to close the dollar gap at the highest possible level of trade?
3. Which is easier, to increase production or to increase productivity?
4. Why do many European workers fear "high productivity"?
5. How will increased freedom of trade help to increase the productivity of European industries?
6. How will increased productivity help Europeans to close the dollar gap?

IV. THE RECORD SPEAKS

What Are the Facts?

1. To what extent did industrial production increase in the Marshall Plan countries during the first two years of the recovery program? To what extent did agricultural production increase? What other gains were made during this two-year period?
What kind of activities were carried on under the European Recovery Program in the fields of health, housing, agriculture, industry, transportation, and power?

Question for Discussion:

1. Otto Zausmer, foreign affairs expert for *The Boston Globe*, wrote that the Marshall Plan represents "perhaps the most gigantic planned revolution in world history, a 'super-retooling' job of a plant that spreads from the Arctic Circle to the Mediterranean and from the Iron Curtain to the British Isles. And it is more than a revolution in terms of factories, machinery and currencies; it is an attempt to carve out a new, freer way of life." To what extent does the record support this statement?

V-VI. WHAT EUROPEANS AND AMERICANS THINK ABOUT THE PROGRAM

What Are the Facts?

1. How has the European public reacted to the Marshall Plan? The American public?
2. What criticisms of the program do you hear in Europe? In the United States?

Questions for Discussion:

1. Is public understanding of the Marshall Plan essential to its success?
2. Would public understanding be as important if the recovery program were entirely one of direct loans?

VII. ECA AND THE FAR EAST

What Are the Facts?

1. What stake does the United States have in Asia?
2. What do we mean by "revolutions of rising expectations"?
3. To what extent has the Economic Cooperation Administration been active in the Far East? What kind of activities has it carried on in this part of the world?

Questions for Discussion:

1. In what ways must the European Recovery Program be modified to meet the needs of the Far East?
2. What lessons has ECA already learned as a result of its experiences in Southeast Asia?
3. What did Secretary of State Acheson mean when he declared, "Just as Korea has become the symbol of resistance against aggression, so can it become also the vibrant symbol of the renewal of life"?

VIII. THE MARSHALL PLAN AND AMERICAN FOREIGN POLICY

What Are the Facts?

1. What is the difference between "interim aid" and the Marshall Plan?
2. What other programs of economic aid are being developed by the United States? To what extent do these programs supplement the activities of the United Nations?
3. In what ways has the United States been trying to erect a shield of collective security behind which the free world could strengthen its economic foundations?

Questions for Discussion:

1. Why is the rise of the United States to world leadership one of the most significant events of the first half of the twentieth century?
2. To what extent have the principles of "self-help and mutual aid" become the foundations for our total foreign program, military as well as economic?
3. Should the Marshall Plan be continued beyond 1952? If so, where and with what modifications?

PART TWO

Films, Filmstrips, and Reading Suggestions

This list is intended for the general reader. For the most part, it contains only materials that are easily available to the average person. Many of these materials have been prepared by or for the Economic Cooperation Administration. Students who wish to make a more thorough investigation of all or part of the Marshall Plan will perhaps start their work with the references listed below under "Books and Periodicals."

The Marshall Plan Kit. A large number of the leaflets and bulletins listed below are included in a special packet, or kit, that the Economic Cooperation Administration has prepared for distribution, upon request, to teachers and leaders of discussion groups. Write to ECA, Office of Information, 800 Connecticut Avenue, Washington 25, D. C., and ask for "The Marshall Plan: Work Kit for Organizations and Speakers."

ECA Films. Most of the documentary films to which we direct attention were produced in Europe and the dependent areas of Africa and Asia for ECA by professional photographers and directors. These films, of which more than fifty have already been produced, were prepared for ECA with counterpart money as part of its program for publicizing Marshall Plan purposes and accomplishments throughout Europe. The educational program, it should be noted, has been carried on under a specific directive from Congress. Recently, the films were made available to the American public, which can borrow them without any charge except the payment of shipping costs. New films are continually being added to the list. For complete information, write to the authorized distributor of ECA films, A. F. Films, Inc., 1600 Broadway, New York 19, N. Y.

Books and Periodicals. The files of the daily press and of the weekly and monthly magazines contain numerous articles dealing with various aspects of the Marshall Plan. Interested students should, of course, consult the *Readers' Guide to Periodical Literature* and other standard bibliographical guides. Several useful volumes are also available. Seymour E. Harris, *The European Recovery Program* (Cambridge, Massachusetts: Harvard University Press, 1948. Pp. xvi, 309) gives a detailed account of the origin and early history (first six months) of the program. In January 1950 the Academy of Political Science published in book form a series of addresses presented at the annual meeting in November 1949. Edited by John A. Krout, this book bears the title *The American Foreign Aid Program*. It is volume xxiii of the Academy's *Proceedings*. A recent addition to the list of books is Howard S. Ellis, *The Economics of Freedom: The Progress and Future of Aid to Europe* (Published for the Council on

Foreign Relations by Harper and Brothers, 1950. Pp. xviii, 549). In the preparation of this volume, Dr. Ellis, formerly President of the American Economic Association, was assisted by the research staff of the Council on Foreign Relations. The book itself contains a scholarly and detailed analysis and evaluation of the Marshall Plan. Other studies of a similar nature will, no doubt, appear in the near future. Meanwhile, students will wish to consult ECA's more detailed and comprehensive reports, some of which are also available in foreign languages, the *Congressional Record*, and other sources.

I. WHAT IS IT—AND WHY?

Filmstrips:

The Marshall Plan. 1948. 40 frames, silent with text guide. \$2.00. *The New York Times*, School Service Department, 229 West 43rd Street, New York 18, N. Y. Describes the European crisis and the development of the Marshall Plan.

Marshall Plan for European Recovery. 1948. 40 frames, silent, with text guide. \$3.00. (Distributed without charge to schools of Detroit and New York City by the *Detroit Times* and the *New York Journal-American*.) General distribution through Current Affairs Films, Division of Key Production, 18 E. 41st Street, New York 17, N. Y. Describes the postwar needs of Europe and the program and philosophy of the Marshall Plan.

Films:

Years of Decision. (ECA) 21 minutes, black and white, sound. Prepared for ECA by The March of Time, this documentary film traces the historical beginnings of the Marshall Plan in response to the postwar needs of the European peoples, the results of the first years of operation, and its effects on the lives of individual men and women.

Europe Looks Ahead. (ECA) 18 minutes, black and white, sound. Prepared for ECA by The March of Time, this is a companion film to *Years of Decision*. It pictures the progress that Western Europe is making toward economic recovery with the help of the Marshall Plan, and describes the challenges which lie ahead—increasing productivity, greater economic cooperation, and integration.

I Went Back. (ECA) 16 minutes, black and white, sound. Leo Genn, British actor, tells of the economic progress made in Italy, Austria, Greece, and Denmark after two years of the recovery program.

Let's Be Childish! (ECA) 21 minutes, black and white, sound. Children

of several nationalities, playing together, prove to themselves that cooperation and united efforts produce a better and happier world.

Robinson Charley. 11 minutes, sound, color. Sale, \$75; rent, \$2.00. Describes the postwar problems faced by the British people and reveals how, with Marshall Plan aid, they began to solve the problems of recovery. This film was produced in 1948. Persons wishing to buy or rent it should write to British Information Services, 30 Rockefeller Plaza, New York 20, N. Y.

Reading Suggestions:

The Marshall Plan: A Handbook of the Economic Cooperation Administration. (ECA) Contains concise answers to the most generally asked questions about the Marshall Plan.

Information on The Marshall Plan for Americans Going Abroad. (ECA) Like the *Handbook*, this booklet contains concise questions and answers about the Marshall Plan.

Recovery in Europe: The First Two Years of Marshall Plan Aid. (ECA) Prepared and printed in Great Britain for "His Majesty's Government" and based on data drawn from the Second Report of the Organization for European Economic Cooperation, this 40-page illustrated booklet describes the rise and progress of the Marshall Plan.

Sidney S. Alexander, *The Marshall Plan.* Prepared for the National Planning Association of 800 21st Street, N.W., Washington 6, D. C., and published in February 1948 (price 50 cents), this 68-page bulletin is today primarily useful as an easily available source of information about the postwar European crisis and the initial steps in the development of the European Recovery Program.

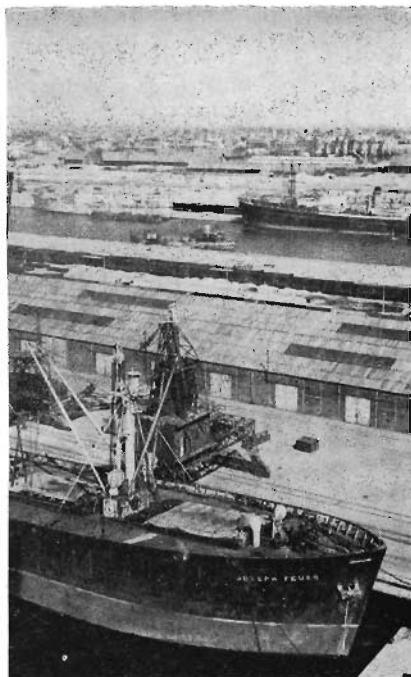
II. HOW DOES IT WORK?

Films:

Larderello. (ECA) 8 minutes, black and white, sound. Describes how volcanic steam geysers in Tuscany are harnessed to produce electric power.

Story of a Rescue. (ECA) 8 minutes, technicolor, sound. A color cartoon film explaining how European recovery is being carried on with Marshall Plan aid.

Ideas At Work. (ECA) 14 minutes, black and white, sound. Shows how increased productivity in the factory saves time and energy and raises the workers' standard of living; how such increased productivity



The historic port of Dunkirk, nearly destroyed during the war, is again handling traffic as great as that of prewar and, with Marshall Plan aid, planning even greater expansion.

can be attained by relatively minor changes in the flow of work, or in work methods, and by more efficient handling of materials.

Note: For additional descriptions of the Marshall Plan in operation, see the films listed under "IV: The Record Speaks," pages 58-60.

Reading Suggestions:

The Marshall Plan: A Handbook of the Economic Cooperation Administration. (ECA)

Information on the Marshall Plan for Americans Going Abroad. (ECA)

Marshall Plan News. (ECA) Issued several times a year by the ECA Office of Information, these illustrated news leaflets reveal an interesting picture of the European Recovery Program in action. Well-written, full of human interest material, they are invaluable for anyone concerned with the Marshall Plan.

Counterpart Funds: Europe's Contribution to the Marshall Plan. (ECA)

The basic facts about counterpart funds are presented in concise question-and-answer form in this 16-page booklet.

Roger William Riis, "Those ECA Productivity Teams Are Paying Off."

This article, which describes the Technical Assistance Program, originally appeared in *Nation's Business* (May 1950). It was condensed in *The Reader's Digest* (June 1950). Reprints of the digested article may be secured from the ECA Office of Information.

Norwegian Labor Looks At The United States of America and The Union of Soviet Socialist Republics. (ECA) The 34 pages of this booklet contain selections from the reports prepared for the Norwegian National Trade Union Congress by two delegations of Norwegian workers and labor leaders, one of which visited the Soviet Union and the other the United States. Those who read this booklet will be more aware than ever of the value of the Technical Assistance Program.

III. THE PROBLEM OF INTERNATIONAL TRADE

Films:

Europe Looks Ahead. (ECA) 18 minutes, black and white, sound. As noted above (page 54), this film pictures the progress that Western Europe is making toward economic recovery with the help of the Marshall Plan, and the challenges which lie ahead—increasing productivity, greater economic cooperation, and integration.

Reading Suggestions:

Recovery in Europe: The First Two Years of Marshall Aid. (ECA) Short, concise, written simply, and well-illustrated with pictures and graphs, this booklet is perhaps the best available introduction to the problem of international trade and the dollar gap.

Report of the ECA-Commerce Mission to Investigate Possibilities of Increasing Western Europe's Dollar Earnings. (ECA) The 62-page abridgement of this report gives an exceptionally clear presentation of the extremely complex problem of international trade.

The International Trade Organization: Key to Expanding World Trade and Employment. This bulletin describes with the aid of a number of graphs and diagrams some of the current barriers to trade, and discusses ways and means for removing the barriers. Persons wishing a copy should send 25 cents to the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C., and ask for Department of State Publication 3882.

The United States Balance of Payments Problem. This is a small 14-page booklet in which the problem of the dollar gap is explained. For a copy, send 10 cents to the Superintendent of Documents, U. S.

Government Printing Office, Washington, D. C., and ask for Department of State Publication 3695.

Vera Micheles Dean and J. K. Galbraith, *Can Europe Unite?* Prepared for The Foreign Policy Association, this 62-page bulletin discusses one of the most critical questions currently confronting the United States and Europe. Copies may be secured for 35 cents each from The Foreign Policy Association, 22 East 38th Street, New York 16, N. Y.

The University of Chicago Round Table (Leaflets sell for ten cents each. Write to The University of Chicago Round Table, Chicago 37, Illinois.)

World Trade and the British Crisis (August 14, 1949)

How Can American Business Speed Economic Progress Abroad? (August 21, 1949)

The Schuman Plan. What Does It Mean to Europe and Britain? (June 25, 1950)

America's Town Meeting of the Air (Leaflets sell for ten cents each. Write to The Town Hall, Inc., New York 18, N. Y.)

The Stake of Business in Our Foreign Policy (July 11, 1950)

IV. THE RECORD SPEAKS

Filmstrips:

Western Europe Rebuilds. 1949. Silent, with text guide. Report on the News Series, \$2.00. *The New York Times*, School Service Department, 229 West 43rd Street, New York 18, N. Y. A survey of recovery in the Marshall Plan countries.

Films:

HEALTH

Adventure in Sardinia. (ECA) 20 minutes, black and white, sound. Describes the successful three-year battle to stamp out malaria in Sardinia. With new health and vigor and some Marshall Plan aid, the people of Sardinia can now look forward to a new era.

Village Without Water. (ECA) 13 minutes, black and white, sound. Tells the story of how counterpart funds built a pipeline to bring water to a small Italian town for the first time.

HOUSING

Island of Faith. (ECA) 19 minutes, black and white, sound. Pictures how the people of Walcheren Island, The Netherlands, with courage, perseverance, and faith in the future have reclaimed their island from

the sea after the war's destruction, and are building a new life with the help of the European Recovery Program.

The Miracle of Cassino. (ECA) 12 minutes, black and white, sound.

Describes how, with the help of counterpart funds, the Italian people rebuilt the war-devastated city of Cassino.

AGRICULTURE

Rice and Bulls. (ECA) 15 minutes, black and white, sound. Shows how cooperation among the farmers, new agricultural methods, and Marshall Plan machinery are combining to reclaim and irrigate salt lands of the Camargue in Southern France, thus increasing many times the rice yield and the prosperity of this region.

Land Redeemed. (ECA) 8 minutes, black and white, sound. Pictures land reclamation projects in southern Italy.

The Niger. (ECA) 22 minutes, black and white, sound. Gives some of the background and history of the Niger project in French West Africa and shows the work being done in land reclamation, irrigation, and rice-growing with equipment purchased through the Marshall Plan.

Project for Tomorrow. (ECA) 21 minutes, black and white, sound. A story film telling of the development, sponsored by ERP, of 4-H Clubs among the farm children of Austria.

INDUSTRY

Handicraft Town. (ECA) 10 minutes, black and white, sound. Describes the postwar rebirth of a small town in Italy through the importation of Marshall Plan steel for the manufacture of fine cutlery—the industry upon which the town depends for its livelihood.

Village Without Words. (ECA) 11 minutes, black and white, sound. Pictures and music, without narration, tell how Marshall Plan aid brought hope and the beginnings of economic recovery to a small Italian village paralyzed by lack of raw materials for its factory.

TRANSPORTATION AND POWER

The Appian Way. (ECA) 8 minutes, black and white, sound. Describes reconstruction along the old Roman road.

Corinth Canal. (ECA) 10 minutes, black and white, sound. Reveals the historical and present-day importance of the Corinth Canal to the commerce and prosperity of Greece. It includes remarkable captured

films showing the wanton destruction of the canal during the war, and current film of how it is being rebuilt with American help.

Henry's Story. (ECA) 16 minutes, black and white, sound. A story film of the rebuilding of the French barge fleet in the Rhine with American prefabricated barges imported under the Marshall Plan, and the contribution of this fleet to French recovery.

The Invisible Link. (ECA) 13 minutes, black and white, sound. Shows how development of electric power in Austria is increasing industrialization, helping to solve the problem of unemployment, and making farm life easier and more productive.

City Out of Darkness. (ECA) 9 minutes, black and white, sound. The building of the Western Berlin electric power plant and its importance in the city's economic and political struggle against Communist domination.

Reading Suggestions:

Otto Zausmer, *Marshall Plan Goals and Gains.* (ECA) The author of this useful bulletin is foreign affairs expert of *The Boston Globe*. In clear, forceful language he describes the Marshall Plan in its global setting.

Recovery in Europe: The First Two Years of Marshall Aid. (ECA)
See page 57 for description of contents.

Marshall Plan News. (ECA) See page 56 for description of contents.

V-VI. WHAT EUROPEANS AND AMERICANS THINK ABOUT THE PROGRAM

Reading Suggestions:

A Look At the Marshall Plan in Action: Excerpts of Comments by 15 American Newspaper Editors Concerning Their Inspection of Marshall Plan Countries. (ECA)

Information on the Marshall Plan for Americans Going Abroad. (ECA)

American Forum of the Air (Leaflets sell for 10 cents each. Write to Ransdell, Inc., 810 Rhode Island Avenue, N.E., Washington 18, D. C.)
Does the Marshall Plan Promote Socialism in Europe? (July 11, 1949)

VII. ECA AND THE FAR EAST

Films:

An ECA film on the activities of the Economic Cooperation Administration in Asia will probably be available within the next few months.



Workers in a Norwegian paper mill (left) and in the Aardal aluminum plant, put to effective use new techniques discovered in America under the ECA's Technical Assistance Program.

Reading Suggestions:

The story of ECA activities in the Far East had not been told, at least in pamphlet form, by the end of 1950, although the leaflets and bulletins listed below contain useful background information. Students who wish more than these fragments of the Far Eastern picture will be interested in John King Fairbank, *The United States and China* (Harvard University Press, 1948). They will also find it convenient to consult an annotated bibliography by John de Francis, "Far Eastern History: Recent Interpretations," (Social Education, April 1950). Reprints of this bibliography may be secured for 10 cents by writing to the National Council for the Social Studies, 1201 Sixteenth Street, N.W., Washington 6, D. C.

Howard L. Hurwitz, *Our Stake in the Far East*. For a copy of this 68-page pamphlet, send 30 cents to the Oxford Book Company, 222 Fourth Avenue, New York 3, N. Y.

The University of Chicago Round Table (Leaflets sell for 10 cents each.

Write to The University of Chicago Round Table, Chicago 37, Illinois.)

What Choices Do We Have in China? (January 22, 1950)

Korea (July 2, 1950)

The Problem of Asia (July 30, 1950)

Problems of Asia (August 27, 1950)

Background of Korea (September 3, 1950)

Americans in Asia (September 24, 1950)

Indonesia (October 1, 1950)

Report on Communist China (October 8, 1950)

America's Town Meeting of the Air (Leaflets sell for 10 cents each.
Write to The Town Hall, Inc., New York 18, N. Y.)

Will the Defense of Formosa Help Check Communism in Asia?
(August 29, 1950)

*What Does the Korean Invasion Mean to the United States and the
United Nations?* (June 27, 1950)

How Can We Advance Democracy in Asia? (September 6, 1950)

For the following bulletins, write to the Superintendent of Documents,
U. S. Government Printing Office, Washington, D. C.:

*Economic Cooperation with Korea Under Public Law 793, 80th
Congress: Agreement Between the United States of America and
Korea.* Department of State Publication 3522. 10 cents.

*Korea, 1945-1948: A Report on Political Developments and Economic
Resources with Selected Documents.* Department of State Publica-
tion 3305. 35 cents.

Korea's Independence. Issued in 1947, this 60-page bulletin provides
a summary of wartime and postwar commitments in Korea. Depart-
ment of State Publication 2933. 15 cents.

Action in Korea Under Unified Command. Dated July 25, 1950,
this pamphlet contains the first report to the Security Council of
the United Nations by the United States. Department of State
Publication 3935. 5 cents.

VIII. THE MARSHALL PLAN AND AMERICAN FOREIGN POLICY

Reading Suggestions:

Readers interested in the larger problem of American foreign policy have
a wealth of books to draw upon. Among the many that could be listed, are
the following: Lester Markel, *Public Opinion and Foreign Policy* (Harper,
1949); Gabriel A. Almond, *The American People and Foreign Policy*
(Harcourt, Brace and Company, 1950); Thomas A. Bailey, *The Man in the
Street: The Impact of American Public Opinion on Foreign Policy* (Mac-
millan, 1948); John Foster Dulles, *War or Peace* (Macmillan, 1950).

Our Foreign Policy. For a copy of this 102-page bulletin, send 30 cents
to the Superintendent of Documents, U. S. Government Printing Office,
and ask for Department of State Publication 3972.

The American Forum of the Air (Leaflets sell for 10 cents each. Write to Ransdell, Inc., 810 Rhode Island Avenue, N.E., Washington 18, D. C.)

Future of the Marshall Plan (February 4, 1950)

After the Marshall Plan, What? (May 13, 1950)

Financing Our Arms Program (August 26, 1950)

U. S. Military Policy: 1950 (September 30, 1950)

America's Town Meeting of the Air (Leaflets sell for 10 cents each. Write to The Town Hall, Inc., New York 18, N. Y.)

How Can We Secure Peace in a Hydrogen-Bomb World? (February 14, 1950)

What Should American Business Do About Point Four? (March 7, 1950)

Should We Cut Marshall Plan Aid Now? (April 4, 1950)

How Can We Strengthen Our World Position? (July 18, 1950)

What Are the Real Issues in Our Fight Against Communism? (October 10, 1950)

