

# FRONT LINES

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"... the 'front lines' of the long twilight  
struggle for freedom..." John F. Kennedy

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## 25 YEARS AGO

# Harvard Recalls Marshall's Speech That Launched Plan

By Jerry E. Rosenthal

None of the notables invited to Harvard's Convocation June 5 is young. Most—like Paul Hoffman, Lucius Clay, John McCloy, James B. Conant, Douglas Dillon—have retired from public life.

Others—like Robert Ellsworth, H. Van Buren Cleveland (also representing his brother Harlan Cleveland), Lincoln Gordon and Milton Katz—remain active in various pursuits. Some—like Averell Harriman, General Omar Bradley and Robert Lovett—are unable to attend.

No matter where they may be, however, all the invitees have poignant memories of why they were asked to the ceremony. It marks the Silver Anniversary of the historic speech by Secretary of State George Catlett Marshall that launched the famed assistance plan for war-ravaged Europe, and made economic aid an integral part of U.S. foreign policy.



GEORGE C. MARSHALL

One of the Convocation's special guests who has vivid memories of those hectic days 25 years ago is C. Tyler (Ty) Wood, AID's veteran unretired retiree, now a special consultant to AID officials. As is the case with the others who will hear West Germany's Chancellor Willy Brandt give the principal address at the Convocation, he was involved with the beginnings of the Marshall Plan.

The Government of West Germany, one of the principal beneficiaries of the program that evolved from the speech, is sponsoring the Convocation as a gesture of thanks to the United States.

Ty Wood remembers General Marshall's Commencement Address that June in 1947 as a dramatic statement.

"It presented plainly the terribly critical situation in Europe and what it meant to the United States," he said. "It placed the initiative on the Europeans to come up with a program; it held the door open for all countries to participate, including Russia and her satellites, and it offered America's 'friendly aid'. It set exactly the right tone."



Secretary of State Marshall, left, and Undersecretary Robert A. Lovett appear to be singing a duet instead of presenting the European Recovery Program to the Senate Foreign Relations Committee in early

1948. Almost hidden at right by Mr. Lovett is C. Tyler Wood, then an advisor in the Congressional presentation of the plan. "Ty", as he appears today, is seen in the right-hand photo receiving a sur-

prise award from Administrator Hannah last month. Mr. Wood, frequently called 'Mr. Aid', helped start the U.S. foreign aid program 25 years ago. He turned 72 years old last February.

# Marshall's Speech—June 5, 1947

"I need not tell you gentlemen that the world situation is very serious. That must be apparent to all intelligent people. I think one difficulty is that the problem is one of such enormous complexity that the very mass of facts presented to the public by press and radio make it exceedingly difficult for the man in the street to reach a clear appraisal of the situation. Furthermore, the people of this country are distant from the troubled areas of the earth and it is hard for them to comprehend the plight and consequent reactions of the long-suffering peoples, and the affect of those reactions on their governments in connection with our efforts to promote peace in the world.

"In considering the requirements for the rehabilitation of Europe, the physical loss of life, the visible destruction of cities, factories, mines, and railroads was correctly estimated, but it has become obvious during recent months that this visible destruction was probably less serious than the dislocation of the entire fabric of European economy. For the past 10 years conditions have been highly abnormal. The feverish preparation for war and the more feverish maintenance of the war effort engulfed all aspects of national economies. Machinery has fallen into disrepair or is entirely obsolete. Under the arbitrary and destructive Nazi rule, virtually every possible enterprise was geared into the German war machine. Long-standing commercial ties, private institutions, banks, insurance companies, and shipping companies disappeared, through loss of capital, absorption through nationalization, or by simple destruction. In many countries, confidence in the local currency has been severely shaken. The breakdown of the business structure of Europe during the war was complete. Recovery has been seriously retarded by the fact that two years after the close of hostilities a peace settlement with Germany and Austria has not been agreed upon. But even given a more prompt solution of these difficult problems, the rehabilitation of the economic structure of Europe quite evidently will require a much longer time and greater effort than had been foreseen.

"There is a phase of this matter which is both interesting and serious. The farmer has always produced the foodstuffs to exchange with the city dweller for the other necessities of life. This division of labor is the basis of modern civilization. At the present time it is threatened with breakdown. The town and city industries are not producing adequate goods to exchange with the food-producing farmer. Raw materials and fuel are in short supply. Machinery is lacking or worn out. The farmer or the peasant cannot find the goods for sale which he desires to purchase. So the sale of his farm produce for money which he cannot use seems to him an unprofitable transaction. He, therefore, has withdrawn many fields from crop cultivation and is using them for grazing. He feeds more grain to stock and finds for himself and his family an ample supply of food, however short he may be on clothing and the other ordinary gadgets of civilization. Meanwhile, people in the cities are short of food and fuel. So the governments are forced to use their foreign money and credits to procure these necessities abroad. This process exhausts funds which are urgently needed for reconstruction. Thus a very serious situation is rapidly developing which bodes no good for the world. The modern system of the division of labor upon which the exchange of products is based is in danger of breaking down.

"The truth of the matter is that Europe's requirements for the next three or four years of foreign food and other essential products—principally from America—are so much greater than her present ability to pay that she must have substantial additional help or face economic, social, and political deterioration of a very grave character.

"The remedy lies in breaking the vicious circle and restoring the confidence of the European people in the economic future of their own countries and Europe as a whole. The manufacturer and the farmer throughout wide areas must be able and willing to exchange their products for currencies, the continuing value of which is not open to question.

"Aside from the demoralizing effect on the world at large and the possibilities of disturbances arising as a result of the desperation of the people concerned, the consequences to the economy of the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace. Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist. Such assistance, I am convinced, must not be on a piecemeal basis as various crises develop. Any assistance that this Government may render in the future should provide a cure rather than a mere palliative. 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. Any government which maneuvers to block the 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.

"It is already evident that, before the United States Government 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. It would be neither fitting nor efficacious for this Government to undertake to draw up unilaterally a program designed to place Europe on its feet economically. This is the business of the Europeans. The initiative, I think, must come from Europe.

"The role of this country should consist of friendly aid in the drafting of a European program and of later support of such a program so far as it may be practical for us to do so. The program should be a joint one, agreed to by a number, if not all, European nations.

"An essential part of any successful action on the part of the United States is an understanding on the part of the people of America of the character of the problem and the remedies to be applied. Political passion and prejudice should have no part. With foresight, and a willingness on the part of our people to face up to the vast responsibility which history has clearly placed upon our country, the difficulties I have outlined can and will be overcome."

# Postwar Crisis Spurred Need for Aid Plan

Although Mr. Wood played no role in the actual preparation of the address, he was heavily involved in assistance to Europe at the time. He had joined the State Department in 1945 as an assistant to Will Clayton, then Assistant Secretary of State for Economic Affairs. *Hay-*  
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ing served in the Army Service Forces during World War II, he had expressed the desire to "get into a position where I could help find a way to live in peace with Russia which I then regarded as the most critical issue in the world—and still do."

In the State Department, he was placed in charge of UNRRA affairs. UNRRA—the United Nations Relief and Rehabilitation Administration—had been set up after the war to provide emergency relief to prostrate Europe.

"But it was failing to stimulate recovery," Mr. Wood recalled recently. "Things in Europe were deteriorating. You could see the desperate situation growing worse. In each of the immediate postwar years of 1946 and 1947, the United States had shipped a billion dollars worth of food and goods—the total

from all contributing nations was to come to \$4 billion—but it wasn't making a real dent.

"There was a sense of overwhelming tragedy facing us. The state of the economy in Europe was pitiful. Worse, agricultural production was substantially down from prewar levels, while population was up. It was truly an alarming situation."

Mr. Wood, seeking to see for himself what could be done, traveled to Europe in 1946 with Fiorello LaGuardia, the fiery former Mayor of New York who was then UNRRA's Director General. He saw the distress of the displaced persons who were still being kept in demoralizing concentration camps. He witnessed first hand the collapsing money economy.

"Farmers in Germany refused to bring their produce into the markets because money wasn't worth anything," Mr. Wood said. "Cigaretts, candy, soap were worth more than money. I heard of men who, instead of trying to find work in town, would go out to the countryside and search all day for a couple of eggs."

#### Hopelessness and Hunger

Mr. Wood says the look of hopelessness, hunger and the feeling of doom was everywhere. "But," he recalled with a smile, "there is an unquenchable spirit in humans. I remember walking in a park in Vienna. Everyone I saw was thin, solemn, emaciated. Then I turned a corner and there were a young man and girl, thin and poorly clad, wrapped in each other's arms, oblivious to the world. I will never forget the light in that girl's eyes."

UNRRA covered all of Europe, including Russia, and Mr. Wood recalls the situation in the Ukraine where some of the bitterest fighting of the war had taken place.

"We came to a collective farm. We saw nothing but old people and children—not a man who was young or middle-aged. We thought that maybe the men were all out in the fields. 'No,' we were told, 'there aren't any men. The war took them all.'"

The depressing situation was to grow even worse. The winter of 1946-47 was the most severe in 100 years. There was an acute lack of food and coal.

#### Russian Attitude

Capping it all, Mr. Wood said, was the attitude of the Russians. "We and the Canadians and the few others who could help at all were trying to alleviate these horrible conditions. The Russians were not only not trying, but were stirring up trouble. They seemed to be bent on blocking all efforts to heal the wounds of the war.

"Especially harmful was the way the Communist-controlled labor unions in France and Italy fomented strikes which had a crippling effect on confidence and production. As a result, there was profound pessimism and despair in Western Europe.

"In early 1947 we felt we were witnessing what seemed to be a classical 'Greek tragedy'. Something dramatic had to be done. It was obvious that America



General Marshall, second from left, paused on the steps of Fogg Museum at Harvard University before delivering his address. Left to right: J. R. Hamlen, General Marshall, Judge Charles C. Cabot and General Omar Bradley.

# Ty Wood Recalls 'Sense of Overwhelming Tragedy'

was the only country that had the resources to do the job. But it became increasingly clear that the U.S. Congress would not agree to supply the many billions of dollars required to help Europe to its feet through UNRRA because, while we supplied the great bulk of its resources, we could be outvoted by the receiving nations in the Council."

General Marshall, completing a mission to China, had been appointed Secretary of State early in 1947. In March, he attended a meeting in Moscow with the foreign ministers of Great Britain, France and Russia to try to find a solution. The meeting failed. This, on top of a stormy interview with Stalin, plus his personal observation of what was happening in Europe, convinced General Marshall that something new and drastic was needed.

## Top Priority to Europe

He returned to the United States and immediately gave top priority to the situation in Europe. He instructed the recently established Policy Planning Group, headed by George Kennan, to

make a speedy but intensive study of the problem and how it might be alleviated. Whatever would be the result, it was agreed, it would not be another UNRRA-type operation.

Time was of the essence. Secretary Marshall, with the support of President Truman, decided that the United States would make a proposal for a massive self-help assistance program.

The next consideration was how, when and where the proposal should be made. Secretary Marshall decided it would be a speech. Undersecretary Denn Acheson delivered a "prologue" address at Cleveland, Miss., in early May. He outlined the problem in Europe and warned that nothing short of massive aid could solve it.

General Marshall's speech, it was felt, could not follow too closely, but it must be soon. There were three dates considered, all of them university commencements. The first was at the University of Wisconsin in late May, but it was felt this was too soon. Two essential reports—one from Mr. Kennan, the other from Mr. Clayton—had not yet been evaluated. There was another date at Amherst in mid-June. This was too late; the situa-

tion in Europe was deteriorating rapidly. The third date considered was June 5 at Harvard. It seemed just right. Undersecretary Acheson, however, opposed making such an important pronouncement at commencement. No one, he said, pays attention to a commencement speech. General Marshall decided, however, that this was the best and most timely opportunity available.

He accepted Harvard President James B. Conant's invitation to receive an honorary degree. He said he would deliver a few remarks accepting the degree, and "perhaps a little more".

The "little more", Mr. Wood recalled, not only laid the basis for what was to become the Marshall Plan, but was also the foundation on which future aid programs would be based. He noted one particular passage from the speech that could be applied to AID policies today.

"It is logical," Secretary Marshall said, "that the United States should do whatever it is able to do . . . Our policy is directed not against any country or doctrine but against hunger, poverty, desperation and chaos."

One part of the Marshall speech pertained to Russia, although the country was not mentioned by name.

## Two Schools of Thought

"It culminated from two schools of thought," Mr. Wood said. "One school felt we shouldn't invite the Russians to join in—they'd only obstruct operation of the program. The other school said, 'Let's invite them. Take a chance that they might be willing to help.'"

Secretary Marshall agreed with the second line of thought, but also felt a warning was necessary.

"Any government that is willing to assist in the task of recovery will find full cooperation . . . on the part of the United States Government," he said in the speech. "Any government which maneuvers to block the recovery of other

countries cannot expect help from us . . . 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."

One of the most significant aspects of the Marshall proposal—the requirement that it be a joint European plan—was contained in this part of the speech:

"It would be neither fitting nor efficacious for this Government to undertake to draw up unilaterally a program

designed to place Europe on its feet economically. This is the business of the Europeans. The initiative, I think, must come from Europe. The role of this country should consist of friendly aid in the drafting of a European program and of later support of such a program so far as it may be practical for us to do so. The program should be a joint one, agreed to by a number, if not all European nations."

According to Mr. Wood, "the thought here was that the Europeans, with their

advanced civilization and their intelligent scientific and industrial accomplishments, had the competence to plan and carry out such a program. They could make a better proposal than the United States could."

The Europeans reacted fast to the speech. Within three weeks the foreign ministers of Great Britain, France and Russia were meeting in Paris, but Russia soon pulled out. Sixteen nations, however, joined in preparing a proposal that

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## MARSHALL SPEECH ANNIVERSARY

# Strong Public Support Given Plan

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summer and on September 22, the newly formed Committee of European Economic Cooperation presented to the United States a report outlining a four-year program for economic recovery in the participating countries and western Germany, then under United States-British-French military control.

"The response from Europe surprised many people," Mr. Wood recalled. "The courage and energy of the leaders was striking and was greatly admired.

"General Marshall in his speech had left the door open for the Russians, and many of us hoped Russia would come in. Their sullen and hostile response was a shocking disappointment."

Mr. Wood noted that the Marshall proposal had a profound impact on the American people as well as the Europeans.

"Most notable," he said, "was the understanding and support which developed in the United States. Of course, it was dramatic and easy to understand the crisis. But it also was the result of wise actions on the part of the President, leaders in the Administration and Congress.

"As an example, less than three weeks after the speech, President Truman appointed two committees headed by Secretary of Commerce Avarall Harriman and Secretary of the Interior Julius Krug. They studied the ways in which we could provide assistance, and the resources on which we could draw. A little later, the Foreign Affairs Committee of the House of Representatives set up its own committee to look into General Marshall's proposal. A considerable number of the members went to Europe under the leadership of Christian Herter—later to become Secretary of

State—to see the situation at first hand. The report of this committee was an important contribution to public and Congressional understanding.

### Bipartisan Effort

This report and those of the other committees were discussed all over the country. General Marshall consulted continuously with Senators Arthur H. Vandenberg (R-Mich.) and Tom Connally (D-Tex.), and Rep. Charles A. Eaton (R-N.J.), who headed the House Foreign Affairs Committee. It was a wholly bipartisan effort.

Mr. Wood noted that out of the discussions grew a number of citizen organizations which were influential in support of the proposal. There was, of course, strong opposition to the Marshall Plan, as it was labeled by everyone, but the advocates were more organized and active than the opponents. Many of

## to Aid War-Ravaged Europe

these early backers such as the AFL-CIO, American Legion, Veterans of Foreign Wars, Federal Council of Churches and League of Women Voters have remained steadfast in support of foreign aid throughout the years.

"This was a remarkable educational effort," Mr. Wood said: "The result was an understanding of the need to do something, and the development of a sense of unity and common purpose which I wish we could recreate in America today."

But, while hope for rescue was rekindled by the Marshall speech and statesmen acted with unaccustomed speed, Europe's situation grew worse in 1947. A severe drought deepened the distress. A new crisis impended. Because Congress was not in session, President Truman called a special session in November to provide interim aid. A bill appropriating \$500 million in emergency assist-

ance for France, Italy and Austria was passed. Mr. Wood became involved in this program.

### ECA Formed

Then, when the European Recovery Program bill went to Congress in January 1948, Mr. Wood served as an advisor on the Congressional presentation. The bill passed in April. The Economic Cooperation Administration was formed with Paul Hoffman as its head, and the Marshall Plan became operational.

Mr. Wood handled Congressional relations until 1950, when he went to Europe as deputy special representative, and began the long series of assignments that have taken him around the world under the various agencies that succeeded the ECA.

"They've all been challenges," Mr. Wood remembers, "but the one we faced in 1947 can never be forgotten."

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