

General Reflections on the American Foreign Policy and the Western European Economic Recovery 1945-1947

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Europe after the Second World War

A short survey of the economic situation in Europe at the end of the Second World War presents a disastrous situation. The worldwide conflict affected also other continents, Asia in particular, but Europe paid the highest tribute. From almost 50 millions dead and missing persons, at least 35 millions were Europeans – military and civilians. This tremendous carnage was completed by the indirect losses: the diminution of birth rate and the increasing of mortality, consequences of food restriction and health infrastructure deterioration. Birth rate deficit, life hope decrease, disproportion between sex and age – all this had repercussions upon European's economic and social life.

Mean time, the decrease of the working force meant the diminution of the production, exactly in the reconstruction moment, and active population was forced to endure hard expenses for children, old and cripple people support. The economic ruin was obvious: the European industrial production decreased with 50% comparative with 1939 (the coal production with 40%); agricultural production decreased in Western Europe with 1/3, transportation and communications revert to the 19th century level (for example, Europe lost more than a half of the merchant fleet), and public debt of the combatants gets to the proportions of a financial disaster, increasing enormous comparative with the year 1939.

Even before the war, the European economy depended on the rest of the world, importing almost all of the necessary fuels, fabrics and no less than 20% of the food essentials. In that period these imports were paid through exports (70%), the profits of European investments (20%) and other benefits (10%). One of the dramatic consequences of war was the breaking up of this equilibrium, through the production decrease and import increase.¹ Under this circumstances, in order to finance the war, the belligerent states appealed to the domestic and foreign loans, taxes increase (the European rate increased from 20% to 40%), and inflation. The results were dramatic after the war, as the prices increased to 132% in Great Britain, 165% in France and almost 250% in Italy.²

Great Britain, who fought during the entire conflict, lost almost ¼ from the pre-war wealth – 7.3 billion £, started to become the biggest debtor of the world. Between 1939 and 1945, the British Cabinet was constrained to sell foreign economic assets of more than 1.3 billion £ worth (from a total of 8 billion £), decreasing the profits from these sources with almost a half. The British losses in merchant ships tonnage rose at 11.5 million tones, which represented no less than 30% fleet reductions.³

For France, the material losses were tremendous, too. The agriculture couldn't

assure enough provisions (in 1945 the agriculture production represented 50 % from the pre-war one), and the rationalization was kept till 1948. The industrial production decreased over 40% comparative with 1939, 2/3 from rail material accomplish a primary losses evaluation, the French commission for war damages, estimated the war cost to 45% from world wealth.⁴

In Italy, the extension of the damages reflected the steps of the advancement of the allied forces to the north and the German resistance intensity degree. Practically, Italy lost 29% from its industrial production and almost 63% from the agricultural one. Although, the northern industrial regions were destroyed in a small proportion (only 8 %), almost 1/3 from the Italian national wealth was lost in the conflict.⁵

United States and Europe between 1939-1944. American perceptions and interests.

Since September 1939, the Council on Foreign Relations, at the initiative of its executive director, Mr. Walter H. Mallory and of Mr. Hamilton Fish Armstrong, the editor of the prestigious journal *Foreign Affairs*, proposed to investigate, for the Department of State, the impact of war on the United States policies.⁹ The Secretary of State – Mr. Cordell Hull and his assistant – Mr. Summer Welles, who later will become the president of the governmental organization “Advisory Committee on post-war Foreign Policy”, had accepted this help. From the beginning of the 1940 till the end of war, the Council sends no less than 682 reports to the State Department, mostly financed by the Rockefeller Foundation – 300,000 USD worth.¹⁰

The members of this elite group, all with substantial experiences in the 1919–1939 period, thought that United States, because of its position as the first industrial and military power, didn't had any choice except to play a major role on the international scene and underlined the vital importance of the Europe' future for the American interests.¹¹

The conclusions of the majority of the studies made by this influent group of specialists was that United Kingdom and its

Germany represented another special case. The allied air strikes campaign and the battles fought on its territory produced hard losses: over 15% of the houses (95% of Berlin laid in ruins), a huge number of bridges, roads, and railways. Despite the damages, the rural territory was untouched, so the 1945' crops were good, and in industrial terms Germany lost only 20% from its infrastructure and 10 % from the coal and steel industries.⁶ Ruhr region lost almost 30% of its factories and installations.⁷ Even so, the coal production of the 1945-1946 winter was about 25,000 tones comparative with 400,000⁸ and at the total level was estimate that more than 2/3 of the industrial production (comparative with 1936) was lost because of the war.

Empire and continental Europe was essential for the United States' economic welfare. The arguments in this direction were plenty. Great Britain represented “the most important market for agriculture surplus of the Western Hemisphere and the Far East”¹², and its welfare was mostly depended by the trade with Continental Europe. In the same way, Europe was important for the United States economy: in 1937, 41% from the exports and 27% from the Americans imports were made with Europe.¹³ For this reason the CFR's post-war recommendation's stressed on preserving the national security through the United States participation to an international organization and by eliminating custom barrier from the international trade.¹⁴

These conclusions were based, without any doubt, on a very clear analysis of between-war international policy reality, and the last decade events demonstrated once more the complex connection between foreign and economic policy.

The most representative business individuals, and also a series of political leaders thought that the Great World Depression was generated, also by the United States protectionist policy, and that the rise of the dictatorial regimes and

international tensions which paved the way to war, were generated by the profound European economic sufferings. In March 1940, Secretary of Agriculture – Mr. Henry A. Wallace described the war implications on economic issues, as follows: "When ... [the American] loans stopped and the Smoot - Hawley Tariff was enacted, the countries of Europe had to stop buying our products because they had no way to pay for them. They raised their own tariffs, slapped on quotas, adopted new-fangled methods of stopping trade through import licensing and exchange control. International trade broke down. Depression became worldwide. Business collapse led to dictatorship in some countries, and dictatorship has finally plunged Europe once more into a costly war." ¹⁵

So, just before the war started, the President Roosevelt put the State and Treasury Department in charge of formulating new plans for the post-war economic situation, plans mainly based on two principles: to eliminate the barriers to the world trade and to reform the international monetary system by creating new mechanisms to preserve the international currencies and to speed up the flow of capital needed for reconstruction and development. ¹⁶

It was obvious that United States own economic interests ¹⁷ dictated such an attitude, but as John Lewis Gaddis demonstrates, the American leaders considered that the opening of international trade will improve the life conditions of Europe and world, and will drive away the danger of a possible war – which was the every one nations' interest. ¹⁸

The Pearl Harbor moment represented a dramatic confirmation of the opinions that considered that the American isolationist position toward the European problems between the wars led to a disaster. Even if the American policy decision-makers gave the highest priority to the military victory against its enemies ¹⁹, they did not stop being concerned about Europe' economic situation. The policy makers were looking for methods and strategies to help the European economic recovery and to

impose, in the same time, the American principles into post-war economic reality. But the fear of a revival of European' economic nationalism once the conflict was over still worried the policy makers in Washington. Dean Acheson, State secretary 'assistant stressed the fact that United States should be firm, conditioning the American post-war recovery help in Europe by the avoidance of the "excessive economic nationalism", meaning the elimination of custom barriers and the unilateral encouragement of some domestic agricultural and industrial productions. ²⁰

At Washington, in this moments started to take shape a tendency, based mainly on economic reasons, which looked for the development of a European economic integration framework, especially in the trade area. The point was to create a custom union that should nullify the inter-European financial barriers, in order to assure a high complementary degree between European economies. From this point to the idea of one regional authority controlling Europe (instead of competing national governments) was only a step.

The planners, specially the persons from the Economic Studies Division of the Department of State as Harley A. Notter, built ambitious and quite utopian projects about the economic unification of the Europe, the creation of a regional transportation authority and also profound reforms in European' agriculture. They hoped that, on long term, these measures will produce a higher economic efficiency, generated an increase in the standard of living that will produced a high need of "imports like raw materials, food, industrial products and the main beneficiary of this trend will be United States". Also, constantly in those reports appeared the idea that a Germany integrated in a political and economic unified Europe was the key for the continent stability. ²¹

Almost in the same time two other materials influenced the political circles in Washington. First, the Council of Foreign Relations presented a memorandum called "American interests in economic unification of Europe, in the custom barriers' problem", in which the ex-ambassador Mr. William C.

Bullitt recommended that one of the goals of the Allies should be the definition of a sort of the unification framework of post-war Europe. Second, as a response to the high interest of American congressman to this matter, the Library of Congress made a very serious study in which the unification of the Europe was seen as the best method to control the post-war Germany.²²

Obviously, they were going too far, but these initiatives, grounded on the same principles, represented interesting efforts to plan the post-war Europe. Moreover, these undertakings were sufficiently abundant to produce, in Congress and executive alike, a strong and substantial support for the idea of Europe's economic and political integration. So, as many analysts of the American foreign policy observed, the United States leaders considered the American model (understood as a federal system based on political democracy and free market economy) as universal.²³

And so, in the American business, academic and governmental world the principle that the economic prosperity will produce political stability on the continent and will improve the international security became more and more spread.

Since 1943, the American executive started to prepare different institutional blueprints for the first phase of the European recovery, by opening the Office of Foreign Economic Administration, which should handle the foreign civilian problems from the liberated areas. But the main initiative of the moment was the creation in November, 9, 1943, of the United Nations Relief and Recovery Administration, organization that was supported by the 44 states and financed principally by the United States.

The UNRRA responsibility was the distribution of the immediate relief for millions of refugees: food, clothes, shelter and medicines, economic and agricultural aid for the rehabilitation of the damaged areas, and the complex task of settling and running the camps for the repatriation of the refugees. Between 1943 and 1947, the contribution of the American government was over 4 billions USD (3/4 from the total funds), and the United States controlled only the central

organization not the local distribution.²⁴ UNRRA might be seen as a significant example for the American decision makers' approach, especially for the President Roosevelt perspective, that the post-war reconstruction must be grounded on international cooperation.

In the same spirit, the Bretton Woods Conference was opened in July 1944, and here the 44 allied states founded two fundamental institutions designated to settle the financial aspects of the post-war world: International Bank for Reconstruction and Development (assigned to provide on long term the necessary capital for the states with urgent foreign needs) and International Monetary Fund (projected to resolve on short time the destabilizations occurring in the international payments). Even if the Conference admitted the fact that a certain degree of control of the exchanges and discriminating tariffs will be necessary for a while after the end of the war, the delegates concluded that these measures must stop as soon as possible. After the governmental ratification, the International Bank for Reconstruction and Development was built at the end of 1945 followed next year by the International Monetary Fund, both of them becoming operational after two more years.²⁵

The allied arrangements for reconstruction, primarily the Americans one's, were still inadequate, and even the American officers admitted this as early as April, 1944: "little provision has been made so far for the transition period between relief and the early stages of rehabilitation on the one hand and the application of long-term economic measures on the other".²⁶ The former measures were to be taken by the new institutions - International Monetary Fund, World Bank and by the planned World Trade Organization, but all these organizations were not ready yet and were not designed to have responsibilities for the reconstruction phase between the economic relief and the complete restoration of the liberal economic order.

In fact, at the ending of the war, the majority of the American officials assumed that European economic recovery can be

made by limited bilateral loans, the monetary stabilization through IMF and through the large scale aid and reconstruction programs financed by the United States through the World Bank and UNRRA. As a result, in 1945, the Truman administration continued to guarantee funds for UNRRA, won the Congress approval for the American participation at the Bretton Woods institutions, increased the loan capacity of Export-Import Bank²⁷ from 700 million to 3.5 billion USD and started negotiations for loans with Great Britain and France.²⁸

The German question

The American plans for the European reconstruction had to deal with a much more complicated problem - Germany. On the first look, the United States policy toward Germany followed a pragmatic approach, mainly in the economic field, trying to avoid the mistakes made after the First World War.

In this perspective, the European reconstruction, and the Germany' economic and military disarmament should combine in order to encourage the Europe' self-sustained and to keep the American aid at the lowest amount.²⁹

Nevertheless, even the idea to combine the reparations (hence an acceptable level of industrialization) with economic disarmament of Germany wasn't a dispute in American administration, a powerful debate in American bureaucratic system was provoked by the problem of methods to accomplish the security needs of Germany neighboring states, and also, the maintenance of a high value of the German economic and industrial domain in order to pay the debts and reparations, and to contribute to the European reconstruction. Another problem discussed in Washington was related to the role of United States in the European recovery, especially in the German "dilemma".

Therefore, Henry Morgenthau, the Secretary of the Treasury, recommended an absolute European solution, without a permanent or direct United States' commitment. In his opinion, Europe didn't need

Ruhr, and the destruction of Ruhr infrastructure will force the neighboring states to develop their own resources in order to replace the German steel and coal. He believed that the German reintegration after the First World War into the world community facilitated its military build-up, and the Morgenthau Plan recommended the demolition of all military potential' industries, the displacement of the coal and steel industry and the transfer of the Ruhr valley to France, and the conversion of the Germany into a rural society.³⁰

Another opinion, partially moderate was represented by the recommendations of the European Advisory Commission, a planning group created after the Teheran Conference in October 1943, materialized in the memorandum "The general objectives of the United States policy toward Germany" and presented to the president in August 1944.

Basically, in this memorandum Germany was forced to payments and reparations, its industry to be broken-down and the German economic domination should be ended by means unmentioned in the text. Therefore, the text did not recommended the exhaustion of the population because this situation would create economic and political problems for the rest of the Europe, but it was envisage an "integration" of the Germany in Europe.³¹

The Morgenthau plan and the EAC report inspired the President Roosevelt reaction in September 1944 to approve a Joint Chief of Staff directive – JCS 1067, and its final version was put on track in April 1945. The goal of this directive was the dismemberment of the chemical and metallurgic industries, the decentralization of the industrial and financial cartels, the army abolition and a firm program of denazification by forbidden the employment in governmental and business domain of all Nazis.³²

In the same way, the Bernard Baruch plan from June 1945 recommended the destruction of the German heavy industry, but in a new manner. The idea was that those factories useful for the European reconstruction should be moved to the West and East – for the benefit of "friendly nations". Also, the plan foreseen the creation of a Supreme Council for European

Reconstruction to coordinate the aspects of the European recovery and the problem of the Germany reparations.³³

The opposition beside these plans came mostly from the War Department and its Secretary – Henry Stimson; he was convinced that Europe won't be so efficient without Germany and without the maintenance of the commercial patterns and economic traditional relations, and that the reparations should be oriented to the credits and of other means of getting additional imports for those European states that can not afford to pay for it.³⁴ So, at Potsdam Conference, Stimson will propose the

constitution of a European Economic Council containing representatives from all states which will contribute to the European recovery, with an American director – under the authority American President – to assist the European governments to help themselves for restoring of some stable conditions.³⁵

After the death of President Roosevelt in April 1945, the American decision-makers opinions started to change. The conditions were different. The new president was inexperienced in foreign affairs and the political consensus between the Congress, Cabinet and administration started to corrode.³⁶

The European reconstruction problems after 1945. Germany and its role in the continent' recovery from the American perspective.

At the end of the war appeared many signals according to which the balance of power in the Old World was threatened by the social and economic chaos. So, in August 1945, President Truman affirmed: "Europe today is hungry. I am not talking about Germans. I am talking about ... the people of Western Europe. Many of them lack clothes and fuel and shelter and raw materials. They Lack the means to restore their cities and their factories. As the winter comes on their distress will increase. Unless we do what we can do to help, we may lose next winter what we won at such terrible cost last spring. Desperate men are liable to destroy the structure of their society to find in the wreckage some substitute for hope. If we let Europe go cold and hungry, we may lose some of the foundations of order on which the hope for worldwide peace must rest."³⁷

Almost all western European states were confronted with the huge problems of reconstruction, and the European industry suffered from a severe lack of raw materials (especially coals) and fuels, and Europe started to build a massive deficit toward the American dollar. In 1946, the Western Europe had a commercial deficit about 2,356 million USD with US; the Great Britain had the biggest part (764 million USD) and France (649 million USD) too. In 1947, the European

total deficit increased to 4,742 million USD and if the solutions didn't come quickly, the world economy, inclusively the American one was threaten by a crisis.³⁸

From this point of view, the British case was relevant for the Western European economy. On August 21, after the United States ended the support given by the Lend-Lease Act, Lord Keynes stated in front of his Cabinet that without a loan from United States and a huge effort for import increasing, the Great Britain was confronting with "an industrial Dunkirk".³⁹

Consequently, in December 1945, Keynes gets from the United States Treasury a loan about 3.75 billion USD, conditioned by the return to the convertibility of the sterling.⁴⁰ When the Great Britain tried to accomplish this condition, the effects were dramatically, and the British market recorded a massive outflow of its gold and USD reserves, so, the British government renounced at its attempt. The problem wasn't the conversion, but the structural weakness of the British economy; and the United Kingdom' 1947 summer crises illustrated the incapacity of the Western Europe to move to a free and multilateral trade system, which United States saw as the post-war fundament.⁴¹

In April 1945, returned from his European journey, John McCloy, official of the American Control Commission and assistant of the War Secretary, wrote: "There is a complete economic, social and political collapse going on in Central Europe, the extent of which is unparalleled in history ... since the fall of the Roman Empire", and France and Belgium "without some reestablishment of their economic life they too can very well be torn apart by the collapse now in effect over Middle Europe".⁴²

A month later – after the numerous reports received, Henry Stimson, War Secretary presented in a memorandum addressed to the president a dark picture of the situation: "[There will be] pestilence and famine in Central Europe next winter. This is likely to be followed by political revolution and Communistic infiltration".⁴³

This gloomy vision was shared by other influential individuals from the State Department – as Joseph Grew, under secretary of state, who was convinced that the communist parties would get voters from this serious economic situation of Western Europe. Between May and June 1945 he presented daily information to the president, and on June 27, in a long memorandum about the international communist rising said that because of the economic situation "Europe today, constitutes a breeding ground for spontaneous class hatred to be channeled by a skillful agitator".⁴⁴

These opinions were supported by an expertise of the coal situation in North-Western Europe, required by the President Truman, in which was stated that "unless immediate and drastic steps are taken, there will occur in North-west Europe and Mediterranean next winter a coal famine of such severity as to destroy all semblance of law and order, and thus delay any chance of reasonable stability."⁴⁵

Accordingly, Truman wrote to Churchill on June 24, 1945: "From all the reports which reach me I believe that without immediate concentration on the production of German coal we will have turmoil and unrest in the very areas of Western Europe on which the whole stability of the continent depends."⁴⁶ Basically, in those moments, the solution that

American administration started to discover was a major change in United States foreign policy: the reconsideration of the policy toward Germany, considered more and more as the key instrument for the relief of the 2grim economic situation in the Western Europe.

In the same context, even if the Department of State was more careful, at the War Department solutions were sought and the Secretary H. Stimson (at the J. McCloy recommendations) selected General Lucius Clay to be the Military Governor of the Germany especially because he had a long experience in the industrial management too. General Clay exceeds rapidly the JCS 1067 provisions that allowed initiatives about the German economy just for the prevention of epidemics and social unrest. In exchange, Clay focused on the coal production, which meant also to find answers for the transportation crisis, alimentary penury and monetary instability.

The American general wrote to his superiors saying that "the successful large-scale mining of coal means some restoration of the German economy, and some industrial activity to support coal mining."⁴⁷

At this point it can be observed the influence of the War Department over the political decision in this period. The explications are numerous: the United States war wasn't finished yet and the military matters were more important than the political ones; one should not forget that Truman was elected president recently and his trust in the State Department was limited so, he preferred to collaborate with individuals from the White House Staff (his personal advisors) in the foreign policy issues; the military and not the civilians were in charge, at that time, with the management of the problems in occupied Germany or other liberated areas, so, from all governmental agencies and departments, the War Department was mostly in direct contact with the dramatic realities of the post-war Europe.

The immediate effect of the pressure exerted by the military decision makers was the order given by President Truman on July 26, 1945 to the general Eisenhower, the commander of the American troops in

Europe, to produce and export until April 1946, 25 million tones of coal from Western Germany. Practically, the coal extraction was the first priority of the occupation policy, and general Eisenhower was ordered involve personally in the assurance of the needed equipment, the feeding of the workforce and the production maximization. In the same executive order, Truman underlined the fact that without this coal, the liberated Europe would confront with the political and economic chaos. Another issue appears in this text: the American president insisted on exporting the German coal in spite of using it in Germany, aware of the suffering and even violence that could cause.⁴⁸ In other words, the massive exports of coal to other areas of the Western European represented an immediate aid, particularly for France, and the German recovery was still on a second plan for American policy makers.

Once realized, the significance of the Ruhr valley for the stabilization and the recovery of the Western Europe made the American officials to reconsider the previous plans of separation of this zone from Germany, ruralization or placing it under international control. As a consequence, just before the Potsdam Conference, the State Department and the Joint Chief of Staff presented memorandums that opposed to the separation and internationalization of the Ruhr zone.⁴⁹

The Potsdam agreements represented a confirmation of the new tendency in the American policy toward Germany. The Soviet Union obtained for reparations 25% from the available equipment from the Ruhr area, but the total amount of reparations wasn't settled yet and the accent set on the democratization, disarmament and economic unification of Germany let unsolved fundamental questions and invited to prolonged negotiations on the production levels, the inter-zone transfers and reparations payments. But the issues essential for the United States became clearer for the decision makers. The United States and United Kingdom controlled the industrial core of Germany, and its productive resources were designed to maintain a minimum standard living in Germany, to

resolve the Western Europe desperate need for coal and to answer to the financial demands of western occupation powers.⁵⁰

In the next period, the economy in the American occupation zone in Germany didn't showed any sign of recovery: the metallurgic and chemical production was about 5% of the normal capacity, the workforce was missing, and 60% of the population was living on the limit of starvation. The British zone presented the same image, and the proposed goal – to export 25 million tones of coal till April 1946 – was impossible. The General Lucius Clay announced Washington his fears for mass starvation, galloping inflation and total economic paralyze.⁵¹

Because of these signals, the officials from the War Department started to reconsider the efficiency of the principle that the German coal should be directed primarily to the Western European neighbors of Germany. So, in December 1945, the War Secretary Patterson wrote to Byrnes and asked for the reevaluation of the policy toward Germany.⁵²

For the moment, the State Department policy was still conducted after the principles states during the war: the recovery of the German economic potential was considered only to produce sufficient resources for the economic reconstruction in other areas and was connected to an agreement of the Four Great Powers in order to guarantee the disarmament and demilitarization of Germany. It was considered that by this methods can be resolved, in the same time, the security guarantees for France, and the mobilization of the victorious states (once the main economic problems were surpassed) for new efforts for German recovery and unification.⁵³

In fact, the different opinions of the officials from the State Department and the War Department didn't refer to the purposes but the tactical priorities. Most of the decision makers agreed on the fact that the necessity of destroying the German military potential didn't remove the importance of the revitalization of its peacetime industry, especially the coal extraction - this product could be used in the benefit of entire Europe.

Almost all the officials considered that in the Western Europe (especially in France, Germany and Italy) the economic conditions should be rapidly improved in order to reduce the growing influence of the communists. Another common point of view in Washington was about the fact that the Soviets shouldn't be allowed to use the German economic potential – from Ruhr and Rhine zone – to increase the power of the Soviet Union. Between these limits, the bureaucratic debate was fierce, especially concerning the coal allocation and the reparations distribution⁵⁴.

The German problem and even the economic recovery of Western Europe upon American principles were in poise also because of the diplomatic tensions between United States and France. In August 1945, general de Gaulle and the French foreign affairs minister, Georges Bidault, presented during their visit to Washington the French point of view concerning the German problem. By not participating to the Potsdam Conference, de Gaulle didn't feel himself constrained to the principle of unified administration in Germany. On the contrary, they stated that the security of France depends on the dismemberment of Germany, the Ruhr control and on the containment of the Soviet influence. The French plan pursued the separation of Saar, Ruhr and Rhine regions from Germany and massive requisitions of coal and rolling stock from their occupied area. De Gaulle also expressed his fear that a centralised administration of German economy could be the formula, which will allow the Soviets to infiltrate in Western Europe⁵⁵. The French foreign policy dilemma seemed unsolvable; the need to assure national security against the traditional enemy was in conflict with the need for the American financial support for the Monnet Plan⁵⁶.

The American officials understood the French security dilemma, knew the French need for about one million tones of coal a month, as well as the enormous commercial deficit caused by the purchase of food and fuels from the United States. In addition, the State Department supported the French

request for a loan of 550 millions of dollars to finance the continuation of products purchases on Lend Lease terms. The most important disagreement points were French plan for the Germany dismantlement, and the international control of Ruhr, which would have involved the Soviet participation⁵⁷. Actually, the American officials weren't offering long terms solutions to France for its strategic and financial problems⁵⁸.

The State Department position begins to change after the communists' victory in the French elections of October 1945. Although de Gaulle didn't offer important ministry chairs to the communists, Byrnes and other officials were afraid that firmly maintaining the American conditions could allow the French Communist Party to gain more influence. The result of all this will be the consolidation of the opinion, within the State Department, that the essentials of the French political life and the needs of the liberated states from Western Europe must be considered top priorities in the detriment of the German development⁵⁹. One of the immediate modifications was the Blum-Byrnes agreements closure, in July 1946, through which France received a new loan, for about 2 billions of dollars⁶⁰.

Another consequence was represented by the approval of the plan for reparations and the settlement of certain production levels for the German industry, plan proposed in March 1946 by the Control Allied Council. This way, it was considered that it could be obtained a compromise between the German self-support, the allied control, the European reconstruction and the French security problems. On European level, an Inter-Allied Reparations Agency was supposed to distribute German dues to western creditor nations, and the United Nations' Economic Commission for Europe must allocate raw materials, coal and transport for the entire Europe. In theory, this plan should have offered to the liberated states the necessary resources for their own recovery and still leave to Germany an industrial infrastructure sufficient to maintain a standard of living similar with its neighbours⁶¹.

The 1946 plan actually represented an attempt to obtain a formula for a balanced German and continental recovery, but the economic conditions were harder and harder. Additionally, a new policy was building within the State Department, partially generated by the February telegram of the American diplomat George Kennan⁶². The collaboration with the Soviets seemed more and more improbable⁶³ and the political leaders in Washington were looking for efficient answers for the new international challenges.

Consequently, the German problem came back in force, its strategic dimension challenging the re-evaluation of American decision-makers perspective accordingly to United States national security requirements. The officials from the War Department had more and more arguments to insist that the current situation means a political and military danger of proportions and to bring more pressure on the State Department in order to obtain a common, more aggressive resolution.

On June 10th 1946, War Secretary Patterson wrote to his colleague from the State Department, James Byrnes that the national security of the United States needs the industrial revival of the Ruhr and the Rhineland and the use of German resources for the stabilization of Western Europe. Patterson also expressed its fears for the possibility that industrial infrastructure of Ruhr could end up at the disposal of a "formidable enemy" and he opposed the separation of this zone from the rest of Germany. He suggested Byrnes the unification of occupied area belonging to the United States and Great Britain⁶⁴.

The White House advisors were strong supporters of this opinion. In September 1946, Clark Clifford, special advisor of the president, produced a long report concerning the relations between United States and Soviet Union which proved the repeated violations of the agreements concluded between the two ex-allies. The report concluded that the national security of the United States was strongly connected to the swift recovery of the economic difficulties from this area, according to American principles. The United States policy must considered the

option of a unilateral action of Western allies (especially Great Britain) to immediate revitalise the industrial production from Ruhr area, absolutely necessary to unstaring economic and political situation in Western Europe. The grim conclusion was that the absence of firm measures will allow Soviet Union political acquisitions with devastated effects in this critical area for the American interests⁶⁵.

The failure of the stabilisation initiatives of the European situation taken by Truman administration occurred at the same time with the shattering winter of 1946/1947, which critically affected the European economies. In that moment American officials begin to admit the gravity of the situation and even exaggerate the European problems.

On May 27th 1947, under-secretary of State William Clayton wrote, "It is now obvious that we grossly underestimated the destruction to the European economy by the war. We understood the physical destruction, but we failed to take fully into account the effects of economic dislocation on production. ... Europe is steadily deteriorating... Millions of people in the cities are slowly starving." ⁶⁶

As a result, in Washington begin a powerful bureaucratic "war" in order to offer a new perspective on the European economic recovery. The War Department was ready to launch a major offensive against the State Department' strategy of balancing the German recovery with the European one and its main "weapon" was the the request of President Truman and War Secretary Robert Patterson, the ex-president Hoover accepted to investigate the factors that slowed down the economic recovery in Germany. His report, presented in March 1947, recommended the lift of the conditions imposed upon the planned level of industry, to stop the relocation of non-military factories, and especially to keep Ruhr area within Germany composition. The report conclusion was that Germany would dispose of the proper infrastructure and resources to increase productivity.

This meant (and this idea was strongly emphasized in the report) that American people was speared for enormous spending

(through taxes) to support German people, and allowed Germany to efficiently contribute to European stabilisation⁶⁷.

Although Hoover mentioned in the report that the European productivity will increase at the same time with German recovery, he also stressed that a higher priority should be given to Germany, which distanced him from the State Department approach and brought him closer to the War Department officials, as Patterson and Clay. In the middle of March, Hoover won the support of commerce secretary, Averell Harriman, Navy secretary, James Forrestal, and Budget Director, James Webb⁶⁸.

At their turn, the State Department officials challenged the report conclusions stressing one more time the necessity of German recovery in connexion with the economic and security interests of its neighbours⁶⁹. Edwin W. Pauley, former representative of United States to Allied Commission for Reparations, denounced Hoover report as a "major change" of the American policy, which could rebuild Germany on the expense of its victims. He affirmed even that "the German domination spectrum" would rise again "over the continent"⁷⁰. Despite the fierce debate within the administration, the Hoover report generated through officials the conclusion that "almost any action would represent an improvement of the present situation"⁷¹. There is no precise indication if the President Truman interfered in the dispute between its subordinates, but the bureaucrats' stir, as well as the fast deterioration of European economy imposed a new perspective on the economic recovery of Germany and Europe.

The failure of the Conference of the Foreign Affairs Ministries from Moscow (March - April 1947) accelerated this process. The State secretary George Marshall confronted himself with the German problem on another level (the relations with the Soviets) and begun to correctly appreciate the complex relations between German and European recovery and especially the need of a new initiative on both diplomatic fronts.

Initially, Marshall suggested the combination of a higher level of industrial production for Germany with a security pact

of the Four Great Powers and with limited German compensations from the present production level. Up against Soviet and French opposition, the State secretary joined the proposition of the British foreign minister Ernest Bevin for increasing the industry level in Bizonia. But in the same time, he accepted the French formula to develop exports of German coal towards France which would have raised other barriers against the growth of the German production and the economic recovery, as well.⁷² Despite those compromises, in Moscow, the positions of American delegates originating from different governmental structures begun to sound consistent, and the conclusion presented by John Foster Dulles at his return from the Conference was shared also by George Marshall and the War Secretary. He said: "As we studied the problem of Germany we became more and more convinced that there is no economic solution along purely national lines. Increased economic unity is an absolute essential to the well-being of Europe".⁷³

In that moment, similar signals were received from republican congressmen, journalists, and opinion leaders. In Congress, senators J. William Fulbright and Elbert D. Thomas introduced a resolution asking for the creation of a European economic and political federation. The resolution was rejected, but it still stands for an important signal⁷⁴. Similar statements for a United Europe and a common European recovery were printed in influent newspapers like New York Times, Wall Street Journal, Washington Post and Washington Star.⁷⁵ Walter Lipmann even demanded a massive American aid program in order to help reorganise the European economy. He was also asking that United States should abandon the piecemeal aid policies of the past, for a new comprehensive recovery plan agreed by the Europeans themselves and used to support the "unification of Europe".⁷⁶

Facing these problems the State secretary Marshall will decide to establish within State Department a Policy Planning Staff in order to find a permanent solution to the German problem and for the continental economic recovery.⁷⁷ The stage for the Marshall Plan was set.

The goal of this paper was no more than to identify and evaluate a series of events in the American foreign policy towards Europe, especially concerning the American policies for European economic recovery as

A summary

The World War II left most of the world in ruin. Only in Europe, over 35 millions died and other several millions were displaced and left without shelter. Most of the industrial infrastructure was destroyed, the farms were abandoned, and most of the people lived at the limit of survival. The war also affected Europe financial system, leaving banks without cash and stimulating inflation. Because agricultural and manufactured goods should have been achieved from the United States (the only industrial power that could offer them on a large scale, the war stimulating and not paralyzing the American production), most of the European countries suffered of a major lack of hard currency (the "dollar gap"), as the imports highly exceeded exports.

At all-important levels of decision the American officials were deeply preoccupied by Europe's severe problems. The interest for a quick resolve of this situation was not because of a naïve generosity, but because of the dramatic experiences lived in the 30', when the global economic depression caused insecurity, dictatorship and war. The decision-makers of American foreign policy recalled the isolation policy and the protective economic measures that United States used with terrible consequences and they were trying to avoid them. Since 1944 the United States organized Bretton Woods Conference where participant nations committed to reduce custom duties, joining together in order to create International Bank for Reconstruction and Development (World Bank) and International Monetary Fund. In the same spirit United States participated with the largest contribution to the funds of the United Nations Relief and Rehabilitation Administration.

Despite the huge American aid, at the beginning of 1947 Europe's consumption and

were planned and carried out by the decision makers. A short review of the most important moments presented until now seems to be necessary.

production level was almost the same. Alarming was the fact that in countries like France or Italy, where communist parties promised brave actions to fight poverty, these parties got an increasing electoral support. In these conditions, when USSR's actions were more and more threatening, the American officials were afraid of a major infiltration with Moscow's agents of the communist parties from these states within Western Europe with dramatic results for the American interests and for the post-war power balance.

In the first months of 1947, Truman administration began to build an answer to this crisis. The first move came in February when Great Britain announced that she couldn't support any more the Greece anticommunist government. On March 12 the American President asked the Congress for an emergency economic support for Greece and Turkey submitting the famous Truman doctrine which affirmed moral and political reasons for foreign assistance. At the same time, State undersecretary Dean Acheson, supported by War Secretary Robert Patterson and Navy Secretary James Forrestal demanded to the Co-ordination Committee of State, War, and Navy Departments to study the world "situations" which might ask for a military, technical, financial aid from United States⁷⁸. White House advisor Clark Clifford and the State Secretary Assistant William Clayton were among the numerous counselors and officials involved in this transformation of the American policy.

Although the reconstruction plan of Western Europe will bear his name, the State Secretary George C. Marshall, joined later an already existing course within Washington's administration. Trained at Virginia Military Institute, Marshall had an exceptional military carrier up to the position of a chief of general

staff in the Second World War. Trustful, worthy and dedicated to his country George Marshall was a real model in American administration. When James Byrnes retired from its State Secretary service in 1946, Truman's natural choice was general Marshall.

In 1947's spring several disparate events joined configuring the American policy. In April, Marshall returned from Moscow's meeting of Foreign Affairs Ministries Council very disappointed by the failure of this meeting and also worried by the evolution of the American – Soviet relations. For weeks he tried to negotiate with the Soviets the peace treaties concerning Germany and Austria, but the main obstacle proved to be the Soviet perspective completely different from the American one on reparations due to Germany and its reunification problem.

In Washington the bureaucratic dispute concerning economic recovery of Germany

Conclusions

Some brief conclusions might be recalled by analyzing the United States foreign policy towards Western Europe in the 1945-1947 periods.

First, concerning American foreign policy sources; during the Second World War and immediately afterwards, the international environment seemed to American policy makers fit to an approach of the European problems in co-operation with its allies, including the Soviet Union. Most of the American initiatives of the moment were shaped on this principle, wide shared within Roosevelt administration, that the war time alliance will be transformed in international co-operation once the war ended. Concerning the characters that took decisions in American policy in this period, they are profoundly marked by the recalls of the American and world economic crises, in the period between the wars. This makes them want to take the right decisions in order to prevent the same mistakes in difficult questions as the recovery of post-war Europe, and in the German issue. Even more, the decision factors of Roosevelt

was, for a while, solved in favor of those decision makers who agreed that European reconstruction depended on the solution of German political status and on the recovery of steel and coal industry in Ruhr valley. Marshall became the partisan of these opinions, on 28 April saying on radio: "Europe recovery progress slower then we expected and the patient is dying while the doctors still deliberate"⁷⁹. At the same time, in public and political opinion from United States shaped more seriously the idea of a more ample and substantial solutions to solve the European economic crisis and to immunize Western society against the communist ideology and subversion. Once the Policy Planning Staff lead by George Kennan was created, and a profound study on European matters was launch, the American administration begin to develop another view on the United States interests, European problems and the strategic stake of Germany, substantially different from the precedent period.

administration were supporters of the "New Deal" conception and they looked for a solutions similar with the American recovery program after the 1929 crisis.

After the end of the conflict and the beginning of the management of European economic problems, the changes within the international relations will also underline the approaches of the decision makers on the planned solutions. The difference more obvious of Soviet Union vision concerning post-war peace configuration, the dramatic German reality, the French security dilemma, and the structural problems of British economy will complicate the post-war economic equation transferring Americans leaders opinions and perceptions from the economic domain towards the political one. An important role in this evolution belongs to the presence of new individuals within the State Department, peoples of the new president. The change is visible not at the top positions as at the career bureaucrats' level, whom opinions, sometimes very well defined, influenced the American decision.

Concerning the American policy objectives we can observe some other conclusions. There are certain elements of continuity in defining United States purposes like establishing, not only in Europe, a new economic order, built on the co-ordinates of financial stability and liberty of trade (precisely those co-ordinates that missed in the period between the wars with tragic consequences) in order to sustain European and world political stability and to cancel the possibility of a new conflict. Also, the isolationist position of United States in economic and political issues of Europe is totally and definitely abandoned.

We can also observe discontinuity elements in defining the objectives of American foreign policy towards European matters. In a first phase, European economic recovery is seen more like a necessity to avoid another economic crisis, especially in United States, but after the conflict is finished and the huge economic traumas discovered, the American pure commercial interests was balanced by the emergency of a survival aid for the Europeans as well as by the fears induced by a possible political and social instability with tragic effects. In Germany's case the slide was obvious. If during and to the end of the war the American planners considered necessary to extend to very wide limits the economic disarmament of Germany, in the following period, the American foreign policy makers discovered the idea that partial recovery of the German's economy might contribute efficiently to entire European recovery has been generated the transition

towards. This way, in case of the international situation aggravation, of the increasing risk of west European economies collapse, and the deterioration of Germany's situation, the American policies will suffer a profound alteration, by abandoning the idea of German reparations and trying an overall treatment of economic problems in Western Europe.

Concerning the instruments used to accomplish those objectives the United States decision makers built a wide range of solutions from institutional formulas to assure immediate aid (UNRRA) to creating organizations with short or long term responsibilities to stabilize and reconstruct Europe (IBRD and IMF). Another important instrument used was economic aid, matter that suffered substantial changes. Thus, if in the first post-war years were offered short term loans to France, Great Britain and Italy, as well as other forms of financial support over 9 billions of dollars, after the failure of such palliative measures it begun the planning of a huge financial common aid addressed to all European states. It's important to mention the terrible fight between American officials, representatives of different departments or governmental agencies, concerning the political instruments used in one period or another.

Most certainly, this brief look over some features of American foreign policy facing European economic tragedy after the Second World War can not fully observe all the decision-making mechanisms of the American foreign policy, but at least it tries to underline its complexity.

Notes:

¹ Serge Bernstein, Pierre Milza, *Le XX-e siècle (1919 à nos jours)*, Paris, Hatier, 1992, pg.177-182; for the dimensions of the European economic disaster see Derek W. Urbin, *A Political History of Western Europe since 1945*, London and New York, Longman, 1998, pg 21-28.

² Serge Bernstein, Pierre Milza, *Histoire de 1939 à nos jours*, Paris, Hatier, 1983, pg. 58

³ Hugh Thomas, *The Beginnings of the Cold War 1945-1946*, New York, Atheneum, 1987, pg.214

⁴ Derek W. Urbin, *op.cit.*, pg.22; Jacques Bouillon, Françoise Brunel, Anne-Marie Sohn, *1914-1945 Le monde contemporain*, Paris, Bordas, 1980, pg.364

⁵ Derek W. Urbin, *op.cit.*, pg.22; Hugh Thomas, *op.cit.*, pg. 375

⁶ Hugh Thomas, *op.cit.*, pg. 323

⁷ Donald Bottling, *From the Ruins of the Reich*, New York, Columbia University Press, 1985, pg.125

⁸ Robert A. Pollard, *Economic Security and the Origins of the Cold War*, New York, Columbia University, 1985, pg.90

⁹ The American planning represented a unique image of the collaboration between the public and private institutions. A future state secretary and an important supporter of European integration, John Foster Dulles, chaired one of these institutions, the Federal Council of Churches of Christ in America. But the most important and influent institution for American foreign policy planning was, without any doubt, the Council on Foreign Relations. Founded in 1921, this organization was recruited members from business, media, academic and governmental elite. In Second World War time, the council had a very important contribution for the post-war planning, working with the State Department. At the end of the conflict, on the Truman administration approximately 42% of the high level positions in the Department of State or in other governmental agencies were held by the members of the council. For the real size of this think-tank influence, see Robert D. Schulzinger, *The Wise Men of Foreign Affairs: The History of the Council on Foreign Relations*, New York, Columbia University, 1984, Laurence H. Shoup and William Minter, *Imperial Brain Trust: The Council on Foreign Relations and United States Foreign Policy*, New York, Praeger, 1977.

¹⁰ Vezi Philips H. Bureh Jr., *Elites in American History*, vol.3 *The New Deal to the Carter Administration*, New York, Holmes and Meier, 1980, and also in Harley A. Notter, *Postwar Policy Preparation*, Washington, DC, Department of State, 1949

¹¹ In this period, most of the foreign United States policy analysts agreed that the perception of the decision makers was deeply Euro-centric, the old continent being seen as the main source for international tensions. Antonio Varsori in his study "Gli Stati Uniti e l'Europa (1941-1947)", in *Wartime Plans for Postwar Europe 1940-1947*, Bruxelles, Bruylant, 1995, pg.373 states that the choice of Germany as number one enemy of United States at the Anglo-American Conference in December 1941 is owing to this vision overspread in the American administration.

¹² "Economic Trading Blocs and Their Importance for the United States", in COFR, *War and Peace Studies*, 1941, pg.3

¹³ William Diebold, Jr., "United States Interests in Continental Europe", in COFR, *op.cit.*, 1941, pg 11

¹⁴ Laurence H. Shoup and William Minter, *op.cit.*, pg. 213

¹⁵ *Apud* John Lewis Gaddis, *The United States and the Origins of the Cold War 1941-1947*, New York, Columbia University Press, 1972, pg. 20.

¹⁶ *ibidem*

¹⁷ The American policy-makers were afraid of a colossal economic crisis in the post-war period, provoked by the lack of foreign markets for the United States production, and with severe consequences in terms of inflation, unemployment, and the decreases of the living standard. The memories of 1929 crisis was painful alive in the American decision-makers mentality.

¹⁸ John Lewis Gaddis, *op.cit.*, pg.21

¹⁹ Again we can observe the lessons of the First World War. On many occasions, President Roosevelt stated that the political problems would be discussed after the ending of the war, and allied action must be out of self-political interests in order to become efficient. In 1943, during the famous "fireside chats", the American president said: "We must not relax the pressure on the enemy by taking time out to define every boundary and settle every political controversy in every part of the world. The all-important thing now is to get on with the war - and to win it." *Apud* John Lewis Gaddis, *op.cit.*, pg.13. This presidential credo was one of the main sources for the enormous influence of War Department in Washington' decision-making processes between 1941 and 1945.

²⁰ *Foreign Relations of the United States. Diplomatic Papers* (FRUS), 1942, vol.3, Washington DC, Government Printing Office, 1958, pg 897-898

²¹ "Post-War Economic Unification of Europe", 19 November 1942, FRUS, 1942, v.1, pg 112-119 and "How Would a European Full Customs Union Affect the Long-Run Economic Interests of the United States?", 17 September 1943, FRUS, 1943, v.1, pg. 473-491. Also, Harley Notter, *Postwar Foreign Policy Preparation, 1939-1945*, Washington DC, Department of State, 1949.

²² Richard Vaughan, *Twentieth-Century Europe: Paths to Unity*, London, Croom Helm, 1979, pg.46, 65-6, Max Beloff, *The United States and the Unity of Europe*, Washington DC, The Brookings Institution, 1963, pg.1-6.

²³ For details on this topic see Tony Smith, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century*, Princeton, Princeton University Press, 1994, pg.146-176

²⁴ Hugh Thomas, *op.cit.*, pg. 180

²⁵ These initiatives coming from the American executive were criticized by some conservative congressmen which labeled them, not without reason, as an "international New Deal", FRUS, 1944, v.4, pg.1032-1035;

²⁶ E. Penrose, *Economic Planning for Peace*, Princeton, Princeton University Press, 1953, p.187

²⁷ Federal institution built in 1934 in order to support United States exports.

²⁸ Thomas G. Paterson, *Soviet-American Confrontation: Postwar Reconstruction and the Origins of the Cold War*, Baltimore, Johns Hopkins University Press, 1973, pg.75-98, 147-173, 207, Alfred E. Eckes Jr., *A Search for Solvency: Bretton Woods and the International Monetary System 1941-1947*, Austin, University of Texas, 1975, pg.165-209, 214.

²⁹ FRUS, 1944, 1, pg.416-417

³⁰ John Morton Blum, ed., *From the Morgenthau Diaries*, vol.3, *Years of War, 1941-1945*, Boston, 1967, pg.343-369

³¹ *idem*, pg. 278-279

³² *idem*, 1945, v.3, pg.1320-1323

³³ *idem*, pg.1343

³⁴ *idem*, 1944, v.1, pg.288 and *idem*, 1945, v.3, 1320

³⁵ *idem*, *The Conference of Berlin (Potsdam) 1945*, v.2, pg.808-809

³⁶ A full analyze on this topics appears in John Lewis Gaddis, *op.cit.*, pg.290-292 and in Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War*, Stanford, Stanford University Press, 1992.

³⁷ PPP:HST, 1945, pg.211

³⁸ A.S.Milward, *The Reconstruction of Western Europe*, London 1984, pg.27-29

³⁹ *apud*. M.M.Gowing, *British War Economy*, London, Frederick Mueller, 1952, pg.546

⁴⁰ In return, Great Britain take not only that loan, but United States nullify the debt of 20 million USD from Lend-Lease account and sell goods in 6 billion worth, from the post-war surplus, generated by the same law, for only 650 million USD, Hugh Thomas, *op.cit.*, pg.214

⁴¹ For the British crisis see Alex Cairncross, *Years of Recovery: British Economic Policy 1945-1951*, London, Methuen, 1985, pg.121-164

⁴² Harry S.Truman, *Years of Decision*, New York, Doubleday, 1955, pg.105

⁴³ *Public Papers of the President of the United States: Harry S.Truman 1945* (PPP:HST) Washington DC, Government Printing Office, 1963, pg.61

⁴⁴ *FRUS, Potsdam*, I, pg. 267-280 for similar opinion affirmed by J.Byrnes, J.Grew and W.Clayton, see *ibidem*.pg.524-525, 613, 623

⁴⁵ "Report by Potter-Hyndley Mission, 7 June 1945", *FRUS, Potsdam*, v.1, pg.620

⁴⁶ *ibidem*, pg.612

⁴⁷ Lucius D.Clay, *The Papers of General Lucius D.Clay: Germany, 1945-1949*, Bloomington, Indiana University Press, 1974, pg.38-48. Quoting from pg. 44. For the importance of the Germna coal see also Ethan B. Kapstein, *The Insecure Alliance: Energy Crisis and Western Policies Since 1944*, New York, Oxford University Press, 1990, pg.19-46

⁴⁸ *FRUS, Potsdam*, v.2, pg.1028-1030

⁴⁹ *idem*, v.1, pg.587-588, 596

⁵⁰ For Potsdam negotiations over Germany, *idem*, v.2. pg.141-142, 183-184, 275, 280-281, 297-298, 428-491, 514-522, 921, 1000-1001. Also, see, James F. Byrnes, *Speaking Frankly*, New York, Harper and Brothers, 1947, pg.81-86, John Gimbel, *The Origins of the Marshall Plan*, Stanford, Stanford University Press, 1976, pg.60-61.

⁵¹ Lucius D.Clay, *op.cit.*, pg. 62-89

⁵² *FRUS*, 1945, v.3, pg.917

⁵³ Michel J. Hogan, *America Britain, and the Reconstruction of Western Europe, 1947-1952*, New York, Cambridge University Press, 1995, pg.29-30.

⁵⁴ Melvyn P. Leffler, *op.cit.*, p. 69-71

⁵⁵ *FRUS*, 1945, v. 4, p. 707-725

⁵⁶ In November 1944, Jean Monnet prepared a recovery plan for French economy in which no less than 50 % of agricultural and alimentary import products, 25 % of import raw materials and 90 % of import industrial products were supposed to come from the United States. For a profound analyse of French foreign policy see John W. Young, *France, The Cold War, and the Western Alliance: French Foreign Policy and Post-war Europe, 1944-1949*, New York, St. Martin's Press, 1990

⁵⁷ The French problems are easily observed in the foreign ministries discussions, *FRUS*, 1945, vol. 3, p. 861-925.

⁵⁸ Also see Robert A.Pollard, *op.cit.*, pages 74-77 and Kapstein, *op.cit.*, p. 38-39

⁵⁹ William Rostow, *Division of Europe After World War II: 1946*, Austin, University of Texas Press, 1981, p. 38-45; 58-69

⁶⁰ In fact, only 650 millions of dollars were available immediately, the rest representing the value of the American pipes deliveries after the cessation of the Lend-lease Act (420 millions), the products left by the United States in France (330 millions) and the promise of to support a new loan, next year, from the World Bank (550 millions), Irwin M. Wall, *The United States and the Making of Postwar France 1945-1954*, Cambridge, Cambridge University Press, 191, pg.; for the Blum-Byrnes agreements negotiations, *Ibidem*, p. 37-54.

⁶¹ Gunther Mai, "American Policy toward Germany and Integration of Europe, 1945-1955, in Jeffrey M.Diefendorf, Alex Frohn, Hernan-Josef Rupier, eds., *American Policy and the Reconstruction of West Germany, 1945-1955*, Cambridge, Cambridge University Press, 1996, p. 89, Michael J.Hogan, *op.cit.*, p. 29-30

⁶² For an analyse of "the long telegram" sent by Kennan, in fact a report of 8000 words concerning United States relations with the Soviets, their perceptions about United States and the expected diplomatic if not military confrontation see Melvyn P.Leffler, *op.cit.*, p.108-109. For the telegram text see, *Documentary History of the Truman Presidency*, v.7, University Publications of America, 1996, p.200-214

⁶³ Winston Churchill's discourse at Fulton, Missouri about the "Iron Curtain" fits in the trend.

⁶⁴ *FRUS*, 1946, v.2, p. 486-488

⁶⁵ *DHTP*, v.7, p. 215-295

⁶⁶ *FRUS*, 1947, v. 3, p.230. In Western Europe the alimentary situation was still very hard, but west-European agriculture begun to register since 1946 high levels of production, ensuring a survival minimum, a situation far better then in the east of the continent where Soviets requisitions and war disaster and the political transformations imposed by the

Soviet Union delayed the agricultural recovery and produced a lasting alimentary crisis. See David Ellwood, *Rebuilding Europe*, London, Macmillan, 1992, p. 32-35

⁶⁷ The title of the report is "The Necessary Steps for Promotion of German Exports, so as to Relieve American Taxpayers of the Burdens of Relief and for the Recovery of Europe", DHTP, v.3, p.129-151, Also see Louis P.Lochner, *Herbert Hoover and Germany*, New York, Macmillan, 1960, p. 177-193

⁶⁸ FRUS, 1947, v.2, p. 394-395; Walter Millis, ed., *The Forrestal Diaries: The Inner History of the Cold War*, New York, Viking, 1951, p. 255-256

⁶⁹ Scott Jackson, "Prologue to the Marshall Plan: The origins of the American Commitment for a European Recovery Program", in *Journal of American History* nr. 65, March 1979, p. 1043-1068

⁷⁰ FRUS, 1947, v. 2, p. 463-469

⁷¹ *Ibidem*, p. 483

⁷² for Moscow Conference, see FRUS,1947, v. 2, p. 234-491; also see Scott Jackson, *op.cit.*, p. 1065-1066, Charles E. Bohlen, *Witness to History 1929-1969*, New York, Norton, 1973, p. 262-263

⁵⁴ *Department of State Bulletin*,16, May 1947, pg. 925

⁷⁴ Robert H.Ferrell "The Truman Era and European Integration", in Francis H.Heller and John R.Gillingham, eds., *The United States and the Integration of Europe: Legacies of the Postwar Era*, New York, St. Martin's Press, 1996, p. 33-37

⁷⁵ Ernst H. Van Der Beugel, *From Marshall Aid to Atlantic Partnership: European Integration as a Concern of American Foreign Policy*, New York , Elsevier, 1966, p. 101-103

⁷⁶ Walter Lipmann, "Cassandra Speaking", *Washington Post*, April 5th 1947, p. 9

⁷⁷ About the organization of the PPS and its role in creating European Recovery Program; see G. Kennan, *Memoires 1925-1950*, New York , Bantam, 1969, p. 342-344

⁷⁸ FRUS, 1947, v.3, p. 197-198

⁷⁹ (http://www.lexis-nexis.com/academic/2upa/Aph/marshall_docs/april28.htm)