

CHAPTER
18
Section 1

GEOGRAPHY APPLICATION: REGION *The Marshall Plan*

Directions: Read the paragraphs below and study the graph carefully. Then answer the questions that follow.

When World War II ended and the countries of Europe needed emergency relief and economic aid, the United States, Canada, and other nations contributed to the effort. Despite their efforts, necessities were still in short supply. In some countries, food was even scarcer than it had been during the war. To determine the full extent of the problem, President Truman sent former President Herbert Hoover on a fact-finding mission to 22 European nations. On his return, Hoover reported the stark reality to Truman. People were starving in Europe, and stopgap aid would not solve the problem. A long-term plan was needed.

During a Harvard College commencement address in June 1947, Secretary of State George C. Marshall offered the aid of the United States to all European nations in need. He asked the nations of Europe to agree on a plan of recovery and to tell the United States what aid was needed. In return for the aid of the United States, Marshall proposed that European nations would have to agree to cooperate and remove trade barriers. Although invited to participate, the Soviet Union refused Marshall's offer. In addition, the Soviets prevented their satellite nations in Eastern Europe from applying for aid.

In all, 16 Western European countries applied for assistance under what was known as the European Recovery Program, or the Marshall Plan. Congress heatedly debated the plan for ten months. The loudest and most insistent criticism concerned the estimated cost—about \$12.5 billion. For a time, it looked as if Congress would reject the plan. However, in February 1948, a Soviet-backed uprising put Communists in control of Czechoslovakia. Alarmed by this Soviet aggression, Congress promptly approved the Marshall Plan by large majorities in both houses.

The Marshall Plan proved to be a great success, both politically and economically. The spread of communism was halted, and Western European economies quickly revived. Within three years, the production of goods in Western Europe surpassed prewar levels. The Marshall Plan also proved beneficial to the American economy, for an economically revitalized Western Europe provided a ready market for American goods and services.

