

'On the subject of the European Economic Community' from the Süddeutsche Zeitung (9 April 1949)

Caption: On 9 April 1949, the German newspaper Süddeutsche Zeitung publishes an article by Paul Hoffmann, the American Director of the Economic Cooperation Administration (ECA). He gives an account the first year of US economic aid to Western Europe under the Marshall Plan.

Source: Süddeutsche Zeitung. Münchner Neueste Nachrichten aus Politik, Kultur, Wirtschaft und Sport. Hrsg. FRIEDMANN, Werner; GOLDSCHAGG, Edmund; SCHÖNINGH, Dr. Franz Joseph; SCHWINGENSTEIN, August ; Herausgeber DAHLMANN, Alfred; KREYSSIG, Gerhard. 09.04.1949, n° 42; 5. Jg. München: Süddeutscher Verlag. "Zur europäischen Wirtschaftsgemeinschaft", auteur:Hoffmann, Paul G. , p. 11.

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On the subject of the European Economic Community

The Marshall Plan's achievements in its first year of operation

By ECA Administrator Paul G. Hoffman

(SZ) One year ago today, Mr Paul G. Hoffman was sworn in as Marshall Plan Administrator by President Truman. In addition to the economic problems, his article examines above all the human and political aspect of the ECA, which plays a decisive part in the future of Europe.

Being the Marshall Plan Administrator is one of the most delicate tasks in the world. Most people do not know that, in Washington, in accordance with old government methods, the Head of an office reaps the glory while his deputy does all the work. This is exactly how it works at the ECA (Economic Cooperative Administration). I, too, am basically opposed to all the work and could therefore find no better assistant than Howard Bruce, the Deputy Marshall Plan Administrator, the man who does the work ... He acts with an almost excruciating diligence and at a terrifying speed. But, through his example, all of us at the ECA have eventually become diligent and conscientious people who are not satisfied with anything less than twelve hours of work at top speed. The reason for carrying us along with him like that lies in the fact that he not only works hard, he works above all with pleasure. There is constantly some sort of crisis at the ECA, and if we have always managed to overcome them, it is thanks to Howard's irrepressible nature and never failing sense of humour. *Without* Howard Bruce, the organisation of the Marshall Plan would have been a hazardous task during the past few critical months. *With* him it was sheer joy.

The political thoughts of a civilian

This first year of the Marshall Plan was for me a time of experience and of learning that has totally *sobered* me politically. My overseas connections to East and West have given me the firm conviction that the Russian Politburo is now determined to secure world domination. This policy is pursued with an intensity and resolve that makes Hitler's methods look almost amateurish. Despite the obvious espionage activity, the Berlin Blockade and the daily newspaper headlines, I have the impression that the American people have still not entirely realised what is happening in the world out there and how serious the danger is that threatens America and the entire world. The Kremlin seems a long way away to the Americans, but the European countries that I have visited sense the threat caused by the advance of Russian power as just as frightening and real as the danger that the British faced when the bombs were buzzing during the worst air raids. The Europeans see it as what it really is – a force comparable in its cruelty only to that of a Genghis Khan, working with a cunning worthy of a Machiavelli.

These people in Europe also know that the miles that separate them from Moscow, by water or by land, are nothing but a mirage as far as their safety is concerned. They know that the danger is really close. As close as New York and Baltimore are for us. The Kremlin is indeed on Broadway or on Main Street in any other American city if we want to measure the *degree of danger* that affects us personally by its direct existence. I say this as a simple citizen, as a man of business and of the economy. The main task of the Marshall Plan concerns the economic recovery of Western Europe, but the thought that America must help the free nations to recreate the economic prerequisites for an atmosphere in which free institutions may successfully develop comes from one of the world's greatest soldiers. General *Marshall* attached great value to the recognition that normal and healthy conditions were the prerequisite for political stability. On the other hand, I, as a civilian, must stress that the fight for the freedom of the nations of Western Europe cannot be won solely on the economic front. We must also further develop our military strength, even if, maybe, for no other purpose than to prevent the Politburo from starting some daredevil military adventure. If we want to win the so-called Cold War in Europe, we have to be active on three fronts. We need military strength. We have to support the governments' objectives 'from the people, by the people and for the people' and ultimately make progress in economic recovery. Neglecting any of these three tasks would be disastrous while a totalitarian aggressor stands at our borders, waiting to take advantage of the first sign of weakness in our defence.

We must not forget that the Politburo has, with cynical enthusiasm, included in its calculations the elements of *hunger, poverty* and *despair*. They know that only hopeless, hungry and desperate people sacrifice their

freedom to slavery. A man in the street once said that nobody has ever tried to escape by fleeing to Russia! Those are wise words, in the spiritual as well as the physical sense. Only peoples who have lost their faith in their governments, their trust in their own economic system and their hope for the future willingly accept their chains. Russia has done everything in its power to prevent this recovery.

The Marshall Plan sees one of its main tasks in an *increase in production* in Western Europe and a rapid improvement in the standard of living of its peoples. As unemployment is currently low in Europe, such an improvement in the standard of living can be achieved only through increased productivity of the workforce and per working hour. In 1947, the total national income of all the nations involved amounted to some 100 billion dollars. If, with our help, the European countries succeed in increasing that figure by one-third, we shall have reached, in my opinion, a situation in which free institutions could subsist.

But how do we want to reach this target?

The governments, the civil servants, the key men in the economy, in the trade unions and the employment offices, the leaders in agriculture, they all have to *learn to think differently* and adapt their views and dispositions. A new form of cooperation between the governments, business and the workers will have to be established in the countries involved. But Europe needs above all an international institution ensuring that such economic cooperation will be meaningful and successful.

Nor is it enough for us merely to create or launch programmes. We are also responsible for ensuring that the dollar aids, endorsed by Congress with a particular aim in view and coming out of the American taxpayers' pockets, will be used most *effectively* and intelligently. We see ourselves as bankers and trustees. But our success will be measured not by the amount we eventually get back in dollars but by the extent to which Europe recovers economically, by the political stability it will acquire and by whether we ultimately achieve world peace.

We know today that true recovery can be attained only through the best possible exploitation of all available Western European *sources of aid* and therefore only with the closest cooperation of all the nations involved. An economy as shattered as the one facing us today as the result of two terrible wars in Europe can only be considered as antediluvian, and we must try to change that situation as quickly as possible. The borders that have divided Europe over the centuries into *economically meaningless parts* have to be reduced to a reasonable measure. We may certainly not expect that Europe's borders will be swept away overnight, that its peoples will adopt a common language and agree on a common currency. But we may count on rapid development in the area of the free movement of goods and persons between countries. It may still be a long time before we can welcome the United States of Europe, but we have to fight everywhere in a joint effort for economic progress.

The instrument that the nations involved have created to make this unity possible is the Economic Cooperative Administration – ECA, the association of Europe's Marshall Plan countries. The four-year plans drawn up by the 19 countries provide for an annual *balance of payments deficit* of three billion dollars at the end of the period and according to the current drafts. It is obvious that the plans will have to be revised, but, above all, that the European economy's true *unity* will have to be attained as quickly as possible.

I personally think that the European nations will take with great courage the steps required to secure true recovery in line with our Administration's general policy. My optimism is founded in particular on the great progress that our plan has achieved everywhere in Europe – in all 19 countries – during the now completed first working year. But, even more important than the production increases, which an analysis of the country-by-country reports indisputably shows (for West Germany this is currently true with reservations), is the new spirit that is becoming clearly visible among the European peoples. It is also apparent in the open-mindedness with which the individual nations express their views on European unity. Development generally is certainly going in the right direction. But what is seriously lacking at the moment is a faster pace. What all this means for a free world is difficult to express. Our generation has twice been on the edge of the abyss because we did not hold together. If Western European unity in an economic community also

leads to unity in defence, and if the American people stands by that community against any future aggressor, if we unite not to win a war, but to win peace, then this prize will also be ours.