

## Address by Joseph Bech (5 June 1957)

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On this very day, in every capital city in Europe, we think with profound gratitude of General Marshall, who, as the United States Secretary of State, ten years ago informed a Europe on the brink of economic disaster that the United States Administration intended to come to its assistance. Europe's trading structure had completely collapsed during the war. After hostilities had ceased, the disintegration of its economy continued apace, and all the countries were coming adrift. In the middle of 1947, the European economy was on the brink of disaster. When production first resumed, it had used up all the stocks saved up since the end of the war. Individual credits which several countries had obtained from the United States and Canada were almost exhausted, as were the financial reserves of France, the United Kingdom and Italy. The winter had been a hard one and harvests looked like being poor. Wide recourse would have had to be had to imports payable in dollars. A suspension of such imports would have spelled famine. In Luxembourg, the situation was less bleak. Our industries, especially our iron and steel industry, had been able to resume fairly sustained activity, thanks to orders from the United States. But the situation in the surrounding countries would have soon ended up having serious effects on our own position. It was at this extremely critical moment that American aid saved Europe from collapse and chaos. To gain a proper idea of how valuable that gesture of generosity, unique in the history of the European countries, was, there can be no better time than the present. The prosperity Europe is now experiencing makes it all too easy to forget the difficult times we experienced. We should then, as we look back over the past, pay tribute to the man who gave us the foundations for this unprecedented economic prosperity. Thanks to American economic aid, expansion has been practically uninterrupted since 1948. Employment, production, consumption and trade levels have risen higher and higher. Workers' lives are no longer haunted by the spectre of unemployment. The risks of society disintegrating through unrestrained inflation have been set aside. During the four years when the Marshall Plan was in operation, the European countries received 13 billion 100 million dollars, i.e. 655 billion Belgian francs. As our situation was less critical than that of other countries, the aid we received came to 140 million francs in reduced-rate, long-term loans and 56 million francs in voluntary donations. The credits were used to re-equip and modernise our industry and to carry out our national projects: dams, railways, airfields and so on. The donations made it possible to implement the agricultural productivity programme. In addition, the Belgium-Luxembourg Economic Union's export trade was able to benefit from the conditional donations of nine billion francs made available to the other participating countries in the form of drawing rights. But what was so good about the Marshall Plan was not just its allocations of donations and credits. It was also, and especially, the fact that it forced Europe to unite for the purposes of close and sustainable economic cooperation. Europe did not just sit on its hands, of course. All the countries displayed complete good will, an immense spirit of cooperation and a burning desire to unite. Once the momentum had been delivered, the European countries grouped together in the Organisation for European Economic Cooperation to combine their economic strengths, to reach agreement on making the fullest possible use of their particular capacities and potential, to step up trade between them while progressively reducing the obstacles to it and to promote full employment for their workforce. The self-sufficiency and market partitioning which were characteristic of the post-war economy have since been methodically demolished. With backing from multilateral payments systems to begin with and then from the European Payments Union, the OEEC has been able to attack import restrictions and eventually encourage a growth in trade between European countries, which accounts for some 85 % on average of private trade in the OEEC countries. The beneficial effects of this trend have had a marked effect on our economic life, which is wholly oriented towards exports and would have been stifled within narrow limits if it had not been for the European Recovery Plan. So it is no exaggeration to say that American aid and the international cooperation which accompanied it have also saved our country from being asphyxiated. That generous aid and the efforts made in each of the Member States have made it possible to raise Europe from its ruins and lay the foundations for a better economic future. Now that everyone's minds are turned towards the target of a united Europe, we need to remember that Marshall Plan aid was intended for Europe and that the cooperation between European countries which arose out of it pointed the way to the common market and unification. As we think about that objective, which is within our grasp, we should remember that great American and his country with profound gratitude, because it was their generous initiative which set our endeavours at integration in motion and which made it possible.