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AMERICAN ECONOMIC AID PLANS ON THE EXAMPLE OF THE MARSHALL PLAN AND THE ALLIANCE FOR PROGRESS: SIMILARITIES AND DIFFERENCES

Two American economic aid plans: European Recovery Program and Alliance for Progress are compared in the article. The author focuses on economic and political conditions which resulted in both initiatives. The text demonstrates the reasons for the formulation of the two aid proposals, and especially the premises that determined that the program for Europe was launched three years after the war, while the program for Latin America as late as in the 1960s. In the second part the author focuses on the objectives of both programs. To present the objectives preliminary assumptions indicated during the speeches of George C. Marshall of June 5, 1947, and of J. F. Kennedy of March 13, 1961 are quoted. Detailed objectives are be discussed based on the Foreign Assistance Act of 1948 and the provisions of the Charter of Punta del Este. The most important issues addressed in the third part are to compare programs’ effects, stress successes and failures of these two initiatives and attempt to identify their causes. In addition, the amount of economic assistance is presented, its scope and the types of benefits.

Keywords: Marshall Plan, Alliance for Progress, cold war, communism.

The chapter will compare two American economic aid plans: (European Recovery Program, (ERP) and (Alliance for Progress, (AFP). First, we will focus on economic and political conditions which resulted in the announcement of initiatives by representatives of the US administration. Both plans were in the Cold War context - although the conflict itself was in different stages: in the initial stage (but decisive for subsequent years) for the period of the conception of the Marshall Plan and under the conditions of the permanent two-bloc division for years of the Alliance, with its peak during the Cuban missile crisis. We will demonstrate the reasons for the formulation of the two aid proposals, and especially the premises that determined that the program for Europe was launched three years after the war, while the program for Latin America as late as in the 1960s. In the second part we will focus on the objectives of both programs. To present the objectives we will quote preliminary assumptions indicated during the speeches of George C. Marshall of June 5, 1947, and of J.F. Kennedy of March 13, 1961. Detailed objectives will be discussed based on the Foreign Assistance Act of 1948 and the provisions of the Charter of Punta del Este. The most important issues addressed in the third part will be to compare programs’ effects, stress successes and failures of these two initiatives and attempt to identify their causes. In

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addition, the amount of economic assistance will be presented, its scope and the types of benefits.

1. POLITICAL AND ECONOMIC CONTEXT

An announcement of the Marshall Plan was a consequence of the shift in the concept of US foreign policy. The shift was decided by several factors, two of which were the most important events. Fundamental was the change in the perception of Soviet foreign policy in Washington. The departure from the conciliatory line of Franklin D. Roosevelt took quite a long time, in spite of the signals sent by Joseph Stalin (e.g., election speech of February 1946) and by certain officials of the Harry Truman administration (George F. Kennan’s Long Telegram, also from February 1946). The shift in the approach of the US administration was motivated by Moscow’s increasing expansionist tendencies, aimed at political penetration of other countries (Greece, Turkey, France, Italy, and Belgium). The Soviet Union successfully used the post-war economic difficulties of European countries, especially the decline in living standards and citizens’ sensitivity to communist propaganda, spreading news about alleged successful Soviet economic model. This resulted in an increase in support for far-left parties: French Communist Party could expect the support of the order of 26% – 28%, and remained the largest party in parliament; Italian Communists, in turn, won 19% in the elections of 1946.

The Marshall Plan was, therefore, a consequence of a shift in the Washington’s attitude and its more active posture in relations with Moscow. The conceptual shift was a result of the failure of the Moscow Conference of Foreign Ministers (March 10, - April 24, 1947), during which no agreement was reached regarding the future of the German state (states). Negotiations dragged on and the stalemate of talks awakened in Americans the belief that this state of affairs, especially in the context of the difficult situation in Europe, suits the expectations of the USSR. In other words, the US passivity is leading to economic “bleeding out’ of the Old Continent, the growth of support for the communists ready to promise anything and - as a result - expansion of the Soviet sphere of influence.

The second factor, which played a major role in formulating the Plan, was a negative assessment of the pace of reconstruction of the Old Continent. From the Washington’s point of view it was slower than expected. At the end of the first quarter of 1947, the prewar level of industrial production (1937) was reached (or exceeded) only in Bulgaria, Denmark, Ireland, Norway, and Sweden. In the case of Germany, Austria, and Italy, this ratio was from 28% (the British zone in Germany) to 50% (Austria). Grain harvest was on average 80% compared to pre-war levels. At the same time in the years 1937-1947, the number of people in Europe increased by 8%.

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France, Holland, Finland, and Czechoslovakia approx.75%. Redistribution and rationing of food were often used to regulate the food situation in the country.

After the end of hostilities exports of many European countries were on the symbolic level, reaching in 1947 the level of only 59% compared to 1938. Two years earlier, the value of exports was on average 20% of the pre-war level for all European countries except for the UK, Switzerland, Denmark, Norway, and Sweden. The first country which managed to reach pre-war level of exports of goods (in June 1946) was Switzerland. At that time, the United Kingdom and Sweden reached the level of 90%, while Denmark and Norway approx. 50%. Austria and Hungary fared much worse - approx. 15% and the Netherlands – 25%. At the end of 1946 the United Kingdom and Sweden reached the pre-war export levels. Exports in Belgium, France, Czechoslovakia, Denmark, and Norway stood at 60-70% of pre-war level. Netherlands doubled volume of exports, reaching 50%. Bulgaria, Finland, Hungary, and Poland did not reach this ceiling by the end of 1946. In December 1946 Austria still exported five times less than before the war, by mid-1947 reaching the level of 33%. At that time exports of Polish and Finnish goods increased, and stood at 40% and 50% respectively compared to pre-war indices. There was no growth in exports in Bulgaria and Hungary. This was mainly the result of a “dollar hunger”: European countries did not have the means to finance the desired volume of exports.

Before the implementation of the ERP in the years 1945-1947, the US supported the reconstruction of Western Europe in the amount of $9 billion. This was the amount seven times greater than that all the countries of Latin America received during the entire presidency of Truman (1945-1952). As noted by Peter H. Smith “between 1945 and 1952 this region received economic aid in the volume lower than that achieved by Belgium and Luxembourg”. The region was not regarded by the US as a strategic economic zone of the post-war global system. It remained, however, as undeniable, it seemed, the zone of economic interests of Washington. The countries of Latin America, deluded by Marshall at a conference in Petropolis (August-September 1947), about a possible bailout plan, received a final, negative response at the founding meeting of the Organization of American States.
(April 1948), where the US Secretary of State said that: ‘Financing of the enormous development needs (of the region – K.K.) goes beyond the capacity of the US government. The necessary capital should come from private sources: both domestic and foreign. The American example shows that progress can be achieved best through individual effort and the use of private resources.’ A year later, in September 1949, during an address before the Pan American Society of the United States, Marshall’s successor, Dean Acheson recalled that ‘This country has been built by private initiative, and it remains a land of private initiative.’ ‘Loans of public funds, however, can only be supplementary to the efforts of private capital, both local and foreign.’... ‘progress will come most rapidly in countries that help themselves vigorously’.

This political line was maintained at least until 1958. In the years 1948 - 1958 Latin America received only 2.4% of the pool of American foreign economic aid. It was a region regarded as fairly stable and not so much threatened by Soviet invasion. This was confirmed by the NSC-16 document of 1948, which was the first report of National Security Council, devoted exclusively to Latin America. There was a record, that ‘communism in the Americas is a potential threat, but apart from a few exceptions, it is not at present a serious threat’.

This attitude changed in the 1950s and was confirmed for example by the invasion of Guatemala inspired by Washington, and overthrow of Jacobo Arbenz Guzman (1954).

For Washington, it has become important to obtain support for its anti-communist policy, while for Latin American countries the priority was determined not by ideological issues, but economic and social issues. The practical manifestation of American policy was to support, or at least maintain good relations with the ‘proper’ dictators. These activities were not only morally questionable, but were also bringing often counterproductive effects: The opponents of right-wing dictators were not always communists, but - as aptly noted by Krzysztof Michalek - ‘under US pressure of accusations of communism were cut off from economic or military aid from the US, and eventually steered toward the Soviet Union, becoming with time its customers’. USA also lost prestige, as it was found by Vice President Richard M. Nixon during his goodwill trip to Latin American countries (April-May 1958). Planned as a propaganda success, a journey through eight countries in the region ended with a spectacular defeat in Venezuela, where an angry mob stopped the presidential cavalcade and the security of Nixon was seriously threatened. After the events in Caracas Brazilian President Juscelino Kubitscheck in a letter to Eisenhower called for ‘a renewal

\[\text{\underline{19}}\text{ A. Oberda-Monkiewicz, Polityka USA wobec Ameryki Łacińskiej po zimnej wojnie [US policy towards Latin America after the Cold War], Warsaw 2009, p. 42.}\]
\[\text{\underline{21}}\text{ Anti-American sentiment in Venezuela was largely the result of Washington’s support for the dictatorship of Marcos Perez Jiménez. Four months earlier the overthrown dictator found refuge in the United States where he was granted political asylum. Therefore the streets of Caracas had a justified suspicion of collaboration between the US and the hated despot.}\]
of the relationship between the United States and Western Hemisphere countries’, especially as ‘the ideal of Pan American unity has suffered serious impairment’22. This correspondence (Eisenhower gave sympathetic response and suggested further talks) was not only an incident of an epistolary nature, but resulted in the submission by Kubitschek of the concept of the so-called ‘Operation Pan America.’ (Brazilian aide memoire of August 9, 1958). The document compiled eight fairly vague objectives (demands) of the Operation, among which the most important were: The recognition that underdevelopment is a problem of all members of the Inter-American movement, taking actions to increase productivity, inclusion of regional institutions into initiatives which were to reduce the backwardness of the region23. Washington tried to tone down the Brazilian president’s ambitious plans, particularly in view of the amounts appearing on the occasion of the presentation of the concept (40 billion dollars)24. Still in April 1959, the act on establishing the Inter-American Development Bank was signed (the Bank started to operate on December 30, 1959). The Latin American countries have strongly lobbied to create the Bank at least since the end of World War II. The very operation was to some extent institutionalized through the establishment by the Council of the OAS of the so-called ‘Committee of 21’, consisting of all member states of the Organization.

A key event which determined the relations between Washington and Latin America was the victory of the Cuban Revolution (seizure of Havana by Fidel Castro - January 1, 1959). Despite initial hopes for establishment of the pro-American system on the island, but already without the ousted dictator Fulgencio Batista (batistainmo sin Batista), at the end of 1959 it was already clear that the change of power in Cuba could pose a threat to US interests and cohesion of Western Hemisphere25. In the period of ‘relative normalization’ (1959) of relations between Washington and Havana, Castro took a visit to the USA (April) and attended a meeting of the Committee of 21 in Buenos Aires (April-May). In a long speech on 2 May, Cuban Prime Minister encouraged the US to submit a Marshall Plan for Latin America, proposing $30 billion distributed over 10 years26. He also proposed creation of a common Latin American market. However, as noted by Wiesław Dobrzycki ‘it soon became clear that it was one of the last Cuban constructive speeches on the Inter-American forum’27.

The US concerns regarding the possibility of export of the Cuban revolution to other countries in the region has resulted in increased activity in Washington in the last year of Eisenhower’s second term. In June of 1960 the Trust Fund for Social Progress was established (it began to work a year later), its funds were to reduce poverty and disease in the

24 P.H. Smith, op. cit., p. 149.
25 A. Oberda-Monkiewicz, Polityka USA wobec Ameryki Łacińskiej po zimnej wojnie [US policy towards Latin America after the Cold War], Warsaw 2009, p. 46.
Latin America. Earlier, on the third (and last) meeting of the Committee of 21 in Bogota (September 1959), the so-called Act of Bogota was adopted in which the signatories confirmed that the development of democratic institutions was conditioned by economic and social progress. The document listed the number of proposals that were to lead to a better functioning of the economies of the region (better access to agricultural loans, the development of affordable housing, structuring ownership). This peculiar new opening of the relations between Washington and Latin America on the economic and social plane was accompanied by certain reevaluation of political relations, involving the cooling relations with dictators (breaking relations with the Dominican Trujillo regime in August 1960) and supporting democrats (e.g., Romulo Betancourt in Venezuela). The comprehensive concept of synergy of economic and political instruments was presented only by Eisenhower’s successor.

2. OBJECTIVES

The basic expectations of a recovery plan for Europe were indicated in Marshall’s speech at Harvard University (5 June 1947). Definitely, he brought economic issues to the forefront. The US Secretary of State spoke of the collapse of the system of division of labor: due to lack of raw materials and fuels industry did not produce adequate goods to exchange with the food-producing farmers. As farmers could not spend money on desirable goods, ceased to cultivate the land, and turned the fields into pastures. National governments were forced to deplete their foreign currency reserves or take loans for foreign goods which were previously available on the domestic market. This led to a deterioration of the economic situation both in urban and rural areas. National governments were in a state of constant shortage of foreign currency which could have been used for economic reconstruction, ‘we are dealing with a very serious processes whose continuation does not bode well.’

According to the Secretary of State, among others, it meant that within three to four years Europe will totally lose ability to pay and will be on the brink of economic, political, and social crisis.

After completing the part of the speech which could be described as a diagnosis of the state of Europe’s economy, Marshall proceeded to present the concept of ‘healing’ the Old Continent. The remedy to bring the situation under control was to restore the functioning of the division of labor based on the appearance of confidence in the growth prospects of residents of European countries as to the economic future of their countries and of Europe as a whole. The United States should play the main role in the process of ‘healing’. Political stability and ensuring peace were achievable only in conditions of economic equilibrium. Only then, after the recovery of the economy and in new political and social conditions, could different institutions operate unfettered. The proposed assistance ‘should provide a cure rather than a mere palliative’. Therefore the assistance would not be offered every time as various crises develop. Noting that ‘our policy is not directed against any country or doctrine, but against hunger, poverty, desperation, and chaos,’ Marshall also pointed

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31 Ibid.
out that ‘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.’ The same would apply to any government which maneuvers to block the recovery of other countries. It was the only part of the speech, which was a little more confrontational, though still quite veiled.

The implementation of the US aid was conditioned by prior agreement of future beneficiaries, as to the type and scale of expectations. The initiative should come from Europe ('if not all, European countries'), whereas the role of the United States, should consist of friendly aid in the drafting of a program and to provide support to the extent possible in the context of its implementation. Through this brilliant wording Marshall refuted the argument of the opponents of the Plan that European governments are slow performers of recommendations of American imperialists. To condemn Washington’s initiative would mean to sabotage the economic reconstruction of the Old Continent.

According to the relationship of one of the participants in these events, published after years in ‘The Harvard Crimson Review’, after the speech, ‘the applause was tremendous, guests surrounded the Secretary’. On the other hand, Richard Pipes, a historian who was also there wrote: ‘I carefully followed his speech and I was disappointed that I did not hear anything except the obvious. Others probably shared his impression, including the heads of European governments - until the State Department turned their attention to those parts of speech, in which the General invited Europeans to submit a coordinated plan for post-war economic reconstruction. Thus the Marshall Plan was born, and the speech of June 1947 may be now considered as one of the most important public speeches of the twentieth century. But it did not impress when it was delivered’.

Due to political tactic the speech was very subdued. Washington expected to include at least some countries of Central and Eastern Europe (especially Czechoslovakia and Poland) into the planned recovery program. For this reason, there could be no question about the any trace of ‘militant anti-communism’. Marshall also did not say explicitly that the economic recovery in Europe should weaken the lure of far-left ideology; he only indicated economic premises of the initiative. It is beyond doubt, however, that the effectiveness of the Plan should be examined precisely by assessing trends in support for Communist groups in countries that in the end participated in the program.

General formulations, concerning the economic sphere were more precisely formulated, among others, in the Foreign Assistance Act, signed by Truman on 3 April 1948. The Act listed four objectives: increase in production, development of foreign trade, the establishment and maintenance of internal financial balance, and the development of economic cooperation, which was to include the stabilization of exchange rates and the gradual elimination of trade barriers. The greatest importance was attached to the first objective. During

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32 It was not until June 12; when at a press conference Marshall made it clear that his proposal also takes into account the Soviet Union and Great Britain. Through the concept of Europe he understood ‘all these areas which are located west of Asia.’ Quoted after: M. Mazur, Europejskie organizacje gospodarcze [European economic organizations]. Rzeszow 2001, p. 322.
34 R. Pipes, Żyłem. Wspomnienia niezależnego [I have lived. Memories of an independent]. Warsaw 2003, p. 68.
the Senate hearings, before he was appointed the head of the Economic Cooperation Administration (the most important institution managing ERP), Paul Hoffman said: ‘My main task will be to ensure the implementation of one fundamental issue: to increase production’. This task was specified in the interim report of the OEEC countries in December 1948, according to which the total increase in industrial production was to reach at least 30% in relation to the volume of 1948 and 15% for agricultural production in the same reference period.

The nebulous demand, concerning the development of economic cooperation, has also interestingly evolved. An Act to Amend the Economic Cooperation Act of 1948, of 19 April 1949, contains a provision that ‘It is further declared to be the policy of the people of the United States to encourage the unification of Europe’. The Act did not define precisely, whether it was to be economic or political unification and, therefore, an attempt was made to make this passage more specific. This issue has returned alongside the adoption of another foreign assistance act. In 1950 the bills were rejected which proposed the continuation of aid dependent upon the progress of economic and political unification of Europe. It was only the Mutual Security Act of 1951, that contained a provision specifying the objectives of the subsequent American program. It was, ‘the economic unification and political federalization of Europe’. This more specific formulation resulted from the conviction of the dependence between European cooperation and the growth of Europe’s defense capabilities. The commander of the combined armed forces of NATO in Europe, Dwight Eisenhower, during a press conference in January 1952, said that ‘Europe will not be strong or stable, if it is made up of many independent economies.’ And he added that he could not imagine an ‘effective economic union without political union at the same time’. It was an extremely ambitious concept.

The essential purpose of economic aid plan for Latin America was formulated for the first time in President Kennedy’s inaugural speech (January 20, 1961). The new president said that ‘in a new alliance for progress, to assist free men and free governments in casting off the chains of poverty.’ At the same time he pointed out that the US will oppose aggression or subversion activities run by the ‘hostile powers’: ‘And let every other power know that this hemisphere intends to remain the master of its own house’. This compendious concept was outlined broadly as early as on 13 March, during a meeting with diplomats from Latin American countries. The crux of the address were the words ‘economic progress

39 Brief summary of the arguments in the discussion is included in Under Secretary of State James Webb’s dispatch to Dean Acheson (FRUS 1950, vol. III, p. 654).
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and social justice can best be achieved by free men working within a framework of democratic institutions. The plan was calculated for 10 years - the 1960s were to be a decade of development for Latin America. As a result, the living standards of every American family were to increase, the accessibility of education was to improve, and the problem of hunger was to be eliminated. Most countries should be on the path of economic growth irrespective of external aid. The US were to act as a supplier of resources that were appropriate in type and scale so that it would be possible to repeat the process of reconstruction of Western Europe. The task of each state was to formulate long-term recovery program, taking into account, among others, the need for currency stability and support for private capital. Integration in the form of a common market, or at least a free trade zone was to be a way to overcome fragmentation of economies, which resulted in poor competitiveness in the region.

The Alliance was to facilitate the completion of the revolution which began in Philadelphia (1776) and Caracas (1811) but this could only take place in a conducive political environment. A motto 'progress yes, tyranny no!' was the confirmation of this postulate. Therefore it was clear that the states ruled by dictatorial regimes could not count on participating in the program. Kennedy mentioned two such countries: Cuba and the Dominican Republic.

To confirm the credibility of the offer, Kennedy asked Congress to appropriate $500 million to combat illiteracy, improve health care, and provide educational opportunities. Also the United States requested to convene a meeting of the Inter-American Economic and Social Council, the forum which was to develop principles of cooperation within the AFP. It resulted in the Charter of Punta del Este (August 17, 1961), adopted by 20 countries. The document introduced a number of details in relation to the general concept presented by Kennedy seven months earlier. The expected rate of economic growth was to be not less than 2.5 per cent per capita per year. Priority was to be given to less developed countries to reduce differences in economic growth. In addition to economic growth the development of the countries was to be measured with indices of child mortality rate (to reduce the mortality rate of children less than 5 years of age by at least one-half ), illiteracy (in relatively rich Brazil and Venezuela percentage of illiterates reached 35-40%), and per capita daily caloric intake. Moreover, emphasis was placed on a more even distribution of national income and the elimination of poverty. Other objectives included independence from the export of single groups of goods (diversification and restructuring of exports), rational industrialization, and implementation of agricultural reform, which would eliminate latifundia (large land holdings) and dwarf holdings, increase of life expectancy by five years, and access to 6 years of primary education. The states undertook to pursue a policy of maintaining stable prices and exchange rates.

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44 Cuban delegation, as a member of the OAS, represented by Ernesto Che Guevara, took part in the deliberations, but played a rather destructive role, and left Punta del Este before signing the final documents.
45 The indicated 2.5% growth rate was considered a conservative estimate and unnecessarily underestimated. American administration officials privately believed that growth might reach 5% (J.N. Giglio, Stephen G. Rabe, Debating the Kennedy Presidency, Oxford 2003, p. 46).
46 In Colombia 1% of landowners held in control half of the land in the country (Ibid.)
The US undertook in turn to provide assistance of at least 20 billion dollars over 10 years. These were to be both public funds (mostly), as well as private funds. The Charter allowed for aid in the form of loans and grants. In the first year of the program, the US were to deliver the funds in the amount of 1 billion dollars. In addition, Washington promised to assist by providing experts. It was also stressed that external assistance was to be complementary. To guarantee the success of the Alliance participating countries were to mobilize their own resources in the region and release economic activity.

In total, these targets were largely different from those designated at the creation of the Marshall Plan. The latter was to rebuild a war-devastated Europe. The Alliance, in turn, assumed the change in the economic structure of countries (reconstruction of production structure) and the need for ownership reforms, indicating the dysfunctional nature of the distribution of land (predominance of estancieros, large landowners). For the developers of ERP it was important to achieve the desired ceilings for coal mining, steel production, and animal husbandry. The individual stages to achieve the pre-war levels were assigned for quarters. Meanwhile the message of the Charter of Punta del Este was to distribute more equitably what America already produced and had. More importance was placed on the social consequences of the desired changes. Simplifying, the division of the pie was more important than its size.

3. ACHIEVEMENTS AND FAILURES

The Marshall Plan cost the US a total of $13.3 billion. The amounts of annual transfers declined in subsequent tranches years of assistance. It was accordingly almost $6 billion in the first year, $3.5 billion in the second, $2.4 billion in the third, and $1.5 billion for the period July 1951 - June 1952. The main beneficiaries of the program in terms of the absolute size of the aid were the United Kingdom ($3.1 billion), France ($2.7 billion), and Germany ($1.3 billion). Per capita aid shows that statistically the biggest beneficiaries of the Plan were the Netherlands ($104 per person), Austria ($98), and Greece ($91). The vast majority (90%), was the aid in the form of grants. Loans accounted for only $1.3 billion. The share of the latter was the highest in the case of neutral countries (91% for Ireland). Manufactured goods (46%), and food (41%), dominated among the goods sent to Europe. Along with the improving food situation in the Old Continent the share of food was declining in subsequent years, and the importance of agricultural equipment, vehicles, etc. was growing. Other areas of expenditure - transport, recapitalization of the European Payments Union, and transport services cost a total of approx. $1.6 billion.

If we were to determine whether the Plan was a success or failure solely through the prism of achieving the objectives adopted in 1948, we would rate the effects of the implementation of Marshall’s no higher than a satisfactory. Industrial production index in Western Europe exceeded the target ceiling, but failed in the case of agriculture. The volume

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of trade between the beneficiaries of the Plan exceeded the 1938 level already in 1950 by 24% and by 36% a year later. The consecutive steps to facilitate trade agreements were successfully implemented (agreements on payments and European compensations), reductions of quantitative restrictions and establishment of the European Payments Union. Proposals to set up a customs union ended in failure. Stable levels of budget deficits were successfully maintained, but do not always the countries of the Organization for European Economic Co-operation, (OEEC) succeeded to keep inflation within acceptable bounds. The OEEC itself did not become an institutional base for the integration of its members. It was no more than a discussion forum, which was reflected by the creation of the European Coal and Steel Community (ECSC) outside the institutional structure of the Plan.

Contrary to the expectations of the West none of the countries of Central and Eastern Europe participated in the reconstruction of the continent. The implementation of such a scenario perpetuated the division of Europe, but because it was the Soviet Union which stopped the negotiations and left the Paris Conference (supported by its allies), then it was Moscow to blame for drawing a clear dividing line of the Old Continent. ERP perpetuated the emerging two-block division of Europe, as evidenced by successive competitive institutional structures (NATO and the Warsaw Pact, OEEC and Comecon). This resulted in, secondary to the political consequences, the economic consequences in the form of a decline of trade exchange between two blocks, and restrictions on exports of technology. In a metaphorical sense the Plan closed the ‘Iron Curtain’, though it is doubtful whether without the Marshall Plan the situation would have taken fundamentally different course.

Contrary to the intentions, the Marshall Plan did not contribute to a decline in the number of votes among extreme left voters. Until elections in 1956 the French Communists could count on the continued support of approx. 25%. The Italian Communist Party even in the 1950s obtained more than 20% of votes. Although the representatives of both parties did not sit in the government benches after 1947, but it was not due to bad election result but rather due to a policy of marginalization of these groups by the victorious Christian Democrats (Italy) or various coalitions (France). The improvement of the economic situation has not caused the expulsion of the communists’ influence in Greece. They were repressed after the Civil War and initially were denied the right to political representation; they achieved fairly good results in the consecutive elections: 10.6% in 1951, 9.6% in 1952 and as much as 24.4% in 1958. In the elections, the Communists in Austria also obtained a steady 5% of the vote. Analysis of the subsequent parliamentary elections results does not confirm the relationship between economic recovery and the progressive marginalization of the Communists. It turned out that a higher standard of living in Europe (commonly perceived as the result of the Marshall Plan) did not affect the popularity of communist ideology. It continued to be an attractive alternative for voters from Western Europe.

Similarly to the ERP for Western Europe, the Alliance for Progress was the most versatile and most ambitious project for the modernization of Latin America. According to
Marcin Fatalski ‘in the sixties Latin America received 18 billion dollars, both from state and private sources, including 10 billion from North American public agencies’\(^{51}\). This meant that the region received on the average $10 per capita annually. Unlike the Marshall Plan, most funds were loans (70%). It should be noted that both the sponsor and the beneficiaries of the program failed to comply with its commitments as to the amount of expenditure for AFP. For every dollar coming from the US, only 10 cents came from countries in the region, and according to the original principles the share of Latin America was to reach 25%\(^{52}\). Previously agreed principles were not honored either by Washington, which until 1965 gave only $2 billion for the implementation the AFP objectives. Despite that, the scale of the increase in US aid to Latin America was spectacular, it tripled, alone in the years 1960-1961. In total, during the Kennedy and Johnson presidencies Latin Americans received 18% of US foreign economic aid, while under Eisenhower it was 9% and under Truman just 3%\(^{53}\). Still during the program period, but after Nixon took office the amount of aid decreased significantly ($760 million in 1969, and $439 million in 1970)\(^{54}\).

The increase in national income per capita was the simplest, but most symptomatic measure of the effectiveness of the Alliance. The average indicator for the whole region was 2.4%, reaching the expected level (2.5%) in seven countries (Panama was developing the fastest - 4.6% and Nicaragua - 3.9%). Only Uruguay and Haiti ended a decade with decline at the level of, respectively -0.1% and -0.7%\(^{55}\). The average increase of 2.4% can be considered as satisfactory especially that Latin America has noted the highest birthrate among all continents. In the 1950s it developed at a rate of 2.1%. On the other hand, the difference of 0.4% was negligible, given the scale of the resources used, propaganda, and hopes for the initiative. The region still remained an area of poverty: over half the population had to survive on less than $10 a month.\(^{56}\)

Illiteracy among adults could not be eliminated. Quite good results have been achieved in terms of access to education, the number of students in some countries increased two- and threefold. The percentage of children without access to education fell from 52% to 43%. Mortality rates among the youngest children declined in all countries except Guatemala, but never reached the expected double decline compared to 1960 (Venezuela and Honduras obtained the best results). The worst defeat was the failure of agrarian reforms which were to undermine the position of large landowners and at the same time satisfy the hunger for land. Just less than a million of the 15 million families living off the land, experienced the changes in the structure of land ownership\(^{57}\). By the end of the decade the progress was recorded only in Chile, Mexico, and Venezuela\(^{58}\).

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\(^{53}\) P.H. Smith, op. cit., p. 152.


\(^{55}\) Ibid.


\(^{57}\) L.R. Scheman, op. cit., p. 28.

This poor result was due to the misconception that it was the middle class (as in the US) which was to be the driving force of the revolution under the AFP sign. Meanwhile, this group did not intend to change its position, preferring the petrification of existing social relations.

The Alliance was defeated in the field of promotion and dissemination of representative democracy in the region. This would require the US to abandon the policy of friendly relations with dictators, conditioned so far merely by their anti-Communism. Democratic revolution was supposed to be the alternative to socialist revolution. The policy of favoring democratic governments was implemented only during the Kennedy presidency (rupture of relations with Peru after the coup), but even then there were exceptions to this rule (cool relations with Janio Quadros’s Brazil, just because it was a country with ambitions to conduct policy independent of Washington, manifested in the refusal to break diplomatic relations with Cuba). After President Lyndon B. Johnson took office, Kennedy’s idealism was abandoned and the US returned to the policy of the primacy of safety issues, military prevention, and support for anti-communism regimes, ignoring the form of their internal policies. According to the Mann doctrine of March, 1964, USA allowed the possibility of cooperation with unconstitutional governments and continuation of economic aid, pointing out that conducting another policy would be an expression of interference in the internal affairs of other states. This position was further developed in the Johnson’s doctrine announced on May 2, 1965, by making a distinction between the Communist dictatorships which should be fought by all countries of the region and the rest of dictatorships, which must be approached individually. Washington’s unilateral policy was expressed by the Dominican operation (April 1965), motivated by the need to combat the expansion of communism. By intervening in the Dominican Republic, the US violated the prohibition on intervention adopted in the 1930s, and confirmed by the Charter of the OAS. Thus the US abandoned the remnants of the ‘neighborhood policy’ tradition, returning to the ‘gunboat diplomacy.’

The climate imposed by the Johnson’s doctrine and the tacit approval of rightist coups resulted in major changes on the continent. In 1968, only five countries in the region kept constitutional form of government. Most, in spite of the rule of despots, could count on American aid, as Brazil (military junta since 1964), which in the years 1964-1968 received almost $1.6 billion, remained the largest (25% share) beneficiary of the dying Alliance. This bleak picture became even more aggravated with the shift in the US foreign policy in the direction of Asia, leaving Latin America with its problems. ‘Decade of development’ turned out to be an unfinished decade.

The Alliance, therefore, did not repeat the success, as it was seen, of the Marshall Plan. Western European countries were indeed severely damaged by hostilities, but had high-
quality political class, and sustained democratic institutions. They also had advanced technologies, representing a high level of social development. Kennedy was right, therefore, comparing the two programs, ‘then we helped to rebuild a shattered economy whose human and social foundations remained. Today we are trying to create a basic new foundation, capable of reshaping the centuries-old societies and economies of half a hemisphere’62. In the case of Western Europe, the aid which flowed (literally) in 1948, found its way to the economies in the process of economic reconstruction. The latter - even without the American help and not without additional costs - would eventually take place. The ERP was, as Charles S. Maier, put it ‘like the lubricant in an engine - not the fuel’63. In Latin America the repetition of this scenario was doomed to fail. The ‘take off’ expected by Walt W. Rostow did not take place64.

REFERENCES

W artykule porównano dwa amerykańskie plany pomocy gospodarczej: Europejski Program Odbudowy oraz Sojusz dla Postępu. Przedmiotem zainteresowania były w pierwszej kolejności uwarunkowania gospodarczo-polityczne, które skutkowały ogłoszeniem inicjatyw przez przedstawicieli administracji USA. Wskazane zostały powody sformułowania obu propozycji pomocowych, a zwłaszcza przesłanki, które zadecydowały o tym, że program dla Europy uruchomiono trzy lata po wojnie, natomiast dla Ameryki Łacińskiej dopiero w latach 60. W drugiej części uwaga została skoncentrowana na celach obu programów. Ich prezentacji służyło przytoczenie wstępnych założeń wskazanych podczas przemówień: George’a C. Marshalla z 5 czerwca 1947 r. oraz J. F. Kennedy’ego z 13 marca 1961 r. Cele szczegółowe zostały omówione na podstawie ustawy o pomocy zagranicznej z 1948 r. oraz zapisów Karty z Punta del Este. Najważniejszą kwestią poruszaną w części trzeciej było zestawienie efektów programów, wypunktowanie sukcesów i niepowodzeń obu inicjatyw oraz próba wskazania ich przyczyn.

**Słowa kluczowe:** plan Marshalla, Sojusz dla Postępu, zimna wojna, komunizm.