

THE MARSHALL PLAN AND THE BEGINNINGS OF COMECON

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Abstract: The integration of the Eastern-European states into the Soviet Union's sphere of influence at the end of the Second World War represented a complex process that aimed all the vital sectors in those states. In a relatively short period of time, the political, economic, social and cultural life of the Eastern-European states was radically transformed, according to the models imposed by Moscow. The Soviet Union imposed its control over Eastern Europe because it had strategic, political, military and economic interests in this region. The states in this region became, after the Soviet Union broke relations with its former Western allies, the main suppliers of resources for the recovery of the soviet economy. The soviet control over the Eastern-European economies took many forms: from the brutal transfer of raw materials, finite products and technology during the first years after the war, to more subtle methods, as the establishment of "mixed enterprises", the initialization of bilateral agreements and finally by establishing the COMECON. The establishment of the COMECON in January 1949 was one of the measures taken by Moscow in order to counteract the effects of the Marshall Plan and to consolidate the Soviet influence in the satellite-states from Eastern Europe. This measure was preceded by other actions meant to strengthen Moscow's political, economic and ideological control over these states.

Keywords: Marshall Plan, COMECON, Cold War economic integration, Iron Curtain

The launch of the Marshall Plan in the summer of 1947 and its rejection by the Soviet Union represents a turning point in the evolution of the Cold War. Like the historian Adam Ulam said: "Once the Marshall Plan was launched, the Cold War entered its belligerence phase". Actually, if in 1945-1947 the differences among the former members of the anti-Hitler coalition were resumed to differences of opinion regarding individual problems, starting with the summer of 1947, the conflict already focused on "the entire foreign politics of each party involved in the conflict, thus becoming an attack target for the other party".¹ Moreover, if by the summer of 1947, the divergences among the former allies especially focused on problems of political-

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military nature, once the Marshall Plan was launched, the conflict got a new dimension by the introduction of the economic aspect.

The Marshall Plan undoubtedly represented a turning point in the Cold War history, but the nature of this change raises questions to this day. Did the Soviets' rejection of the Marshall plan in July 1947 only represent the application of a policy of confrontation with the Occident, which had been previously formulated, or the American offer of economic aid and the conditions imposed by such an aid determined a fundamental change in Moscow's politics towards the West?

However, without getting into too many details, we must mention the fact that presently there are three fundamental interpretations of the significations of the Marshall Plan and the Soviet reaction to it.

A first interpretation is the "traditional" or "orthodox" one, supported by historians such as Joseph M. Jones and Harry B. Price. According to this interpretation, the Marshall Plan represented an audacious American initiative aiming at stopping an economic catastrophe in Western Europe, and the plan's rejection by Moscow is seen as an expression of expansionism and Soviet aggression. From the "orthodox" point of view, the Soviet expansionism represented the true cause of the Cold War, and the Marshall Plan was nothing but a defensive move of the United States.

The second point of view is the "revisionists' " one, such as Gabriel Kolko, which emphasizes the economic motivations which were at the base of the launch of the Marshall Plan. According to this interpretation, an essential goal of Americans after the end of the war was to maintain the free access to all markets in the world, including Eastern Europe. Therefore, the European politics of the United States did not have a solely geostrategic purpose of "defending" Europe from the Soviet aggression, but it also aimed at the protection of the world capitalist system. From this perspective, the Soviets' rejection of the Marshall Plan cannot only be seen as an expression of the Soviet expansionism, but rather as the natural response of a non-capitalist state that tries to avoid the integration in the world capitalism system.²

The most recent interpretation is that of William Taubman, an interpretation also supported by the newest documented evidence from the Soviet archives.³ According to Taubman, the Marshall Plan started a change in the Soviet politics, in the sense of evolution from expansion to confrontation. The documented evidence shows that Stalin promoted aggressive, yet pragmatic and opportunist, politics in the first years of the Cold War. However, in the summer of 1947 he turned towards confrontation politics due to his fear of the opponent and the possible losses caused by a confrontation with it.⁴ This fear was mutual. On the one hand, in the spring of 1947, the American officials feared that the aggravation of the European economic situation could favour the Communists rise to power, especially in France and Italy. Nevertheless, the Americans' insecurity did not determine the Soviets' security, how it had been logical. Far from conceiving grand conquer plans, the Soviet leadership felt vulnerable, knowing that the Soviet Union could not compete with the economic and military capacity of the United States. In consequence, their main preoccupation was consolidating the security of the ground conquered in World War II. In the context of this relative weakness of the Soviet Union, the confrontation

politics wouldn't have served their interests. On the contrary, as we saw, until 1947, Moscow tried to maintain the communication ways with the West open, hoping to amiably solve the litigated issues. The change that happened in the Soviet foreign politics in the middle of 1947 was firstly determined by the Soviets' fear of the American economic power.

On the 5th of June 1947, Marshall held his famous speech at the Harvard University, where he declared that the Americans were ready to offer economic help to Europe in order to prevent an economic catastrophe.⁵ The Soviets' first reaction towards the pretty ambiguous speech of the American Secretary of State was prudent and moderate. Although sceptical towards the real intentions of the Americans, the Soviets did not reject the negotiations of this proposal, hoping to benefit from the American help to reconstruct the Soviet Union and even Eastern Europe. What is significant in this respect is the participation of Polish and Czechoslovakian delegations together with the Soviet delegation during the Paris conference, opened on the 26th of June 1947. The Soviet delegation only, led by V. Molotov, counted 100 people, a fact that demonstrates that the Soviets hadn't gone to Paris decided to reject the plan, but rather to inform and negotiate.

The main objective of the Soviet delegation, as it results from the given instructions, was to determine the nature and extent of the help that the Americans were willing to offer. However, the Soviets came determined to ask for separate rebuilding plans for each county, because what they saw in Marshall's proposal was a unique European rebuilding plan, namely a threat to their influence in Eastern European countries, which could thus be attracted by the capitalist system.⁶

The discussions during the conference got stuck in exactly this point because the French and English desire to create a multinational committee that examines the demands for help of all European states was incompatible to the Soviets' desire to apply individual demands for help from each European state.

In his closing speech, on the 3rd of July, Molotov accused the Western powers of trying to divide Europe in two: *"This will make England, France and group of countries that will follow their lead to separate from the other European states, which will lead to the separation of Europe in two groups of states and the emergence of new difficulties in the relations among them"*.⁷ The Soviet leaders clearly feared that if they accepted the Anglo-French proposals, they will facilitate the Westerners' ingression in Eastern European economies. Since 1945, the Soviets had managed to monopolize the commercial relations of Eastern European states by means of bilateral agreements. Accepting the Western plans would have meant the reorientation of the economy of these states according to the European unique plan. Such an economic integration with the West, would have enforced even the resistance of those Eastern European states who fought against the instauration of the Soviet hegemony. All this would have led to the weakening of the Soviet influence in Eastern Europe. Hence, at the end of the conference, when all the details were known, the Marshall Plan appeared to be an attempt to use the American economic power to transform the Soviet buffer zone, barely established in Eastern Europe, in a new version of the "sanitary chord" in the period between the two World Wars. The logical consequence was the retreat of the Soviet delegation from the negotiations and together with it, the Polish and Czechoslovakian delegations.

In conclusion, we can state that Stalin's initial reaction towards the Marshall plan was prudent, reluctant even. However, as the details of the American initiative surfaced, Stalin believed he could only expect the worse and acted accordingly. The Soviet leader did not want to cause a confrontation with the Western powers, but the situation created as a result of the launch of the Marshall Plan seemed to leave him with no choice. The result was triggering what we now call the Cold War. Ever since declining the initiative of economic aid of the United States, the Soviet Union made fundamental changes both in their politics towards the West, by moving to confrontation positions with the capitalist bloc, and in its politics towards the Eastern European states. Especially concerning this latter respect, Moscow proved to be extremely preoccupied by stopping any attempt of escape from under its ward (the enthusiasm with which the Polish and the Czechoslovakians had received the American aid proposal was a red flag in this respect), so it tried to strengthen the control reins, both politically and economically, on these states.

Rejecting the Marshall Plan by the Soviet Union blocked any attempt at cooperation between the Soviets and the Westerners in the following years. Stalin became convinced by the fact that the Marshall Plan represented an offensive manoeuvre of the West, led by the United State, who aimed at surrounding the Soviet Union. Stalin's reply did not delay: he took a series of measure meant to protect both the area of Soviet influence in Eastern Europe, and to undermine the Americans' effort to consolidate and anti-Soviet bloc in Western Europe. This political line will be continued in Moscow until Stalin's death in 1953.

The creation of the Council for Mutual Economic Assistance (Comecon) in January 1949 falls into the complex of measures taken by Moscow in order to fight the Marshall Plan and to consolidate the Soviet influence in the satellite states in Eastern Europe. This measure was preceded by a series of other decisions that focused on the consolidation of the political, economic and ideological control of Moscow in these states.

The first decision of this sort aimed at creating a new centre of coordination of European Communist parties. The goal of the organisation was to reorganise the resistance to the Marshall Plan in Western Europe, but also to consolidate the Soviet control on the Eastern European countries. Hence, during 22-27 September 1947, the representatives of nine Communist parties (USSR, Poland, Yugoslavia, Bulgaria, Hungary, Czechoslovakia, Italy and France) met at SzlarskaPoreba on Poland to start a new international Communist organisation. Hence, the Cominform represented the institutional expression of change occurred at the level of Soviet macro-strategy. From then on, as Andrei Jdanov explained, the world is divided in two camps: the "imperialist and antidemocratic" camp, led by the United States and the "anti-imperialist and anti-democratic" camp, led by the USSR.⁸

It had become obvious to the Soviet leadership that they could not deal with a confrontation with the West unless under the conditions of a full control over the Eastern European countries from under its range of influence. This control applied to all aspects: political-military, ideological and economic. From the political-military point of view, the alignment to the program imposed by the USSR was performed by means of the 65 treaties of alliance or mutual assistance, signed between 1945 and

1949. Probably the most spectacular episode in the forced political conversion process of Eastern Europe was the “Coup in Prague” in February 1948 after which the Communists took control over the Czechoslovakian political life.⁹

Ideologically, the control was ensured by the new institution created in September 1947, the Cominform. The consolidation of the political and ideological control proved to be necessary under the conditions of the manifestation of the first “non-conformity” inside the socialist bloc. Of course, we refer to the independent stance taken by Tito’s Yugoslavia towards Moscow, starting from the spring of 1948.

Until the middle of the year 1947, the main directions where Moscow acted to consolidate its control in Eastern Europe were those concerning the political-military and ideological aspects. Once the Marshall Plan was launched in June 1947, the Soviets acknowledged the necessity of coordination and alignment of Eastern European economies to Moscow. At this date, the “mixt” societies had already been functioning; in fact they allowed the Soviets to exploit the resources of the region.

Conclusion

The Marshall Plan and the enthusiast reaction of Eastern European countries towards the possibility of receiving economic aid constituted a serious wake-up call for Moscow. The American initiative was not just a propagandist measure, it emerged from the imperative necessities of the European economies drained by war, so the Marshall Plan was quickly materialised into a pan-European project of economic help. On the 12th of July 1947, in Paris there was a “Conference for European Economic cooperation” in order to establish the balance of common economic needs. On the 16th of April 1948 the convention that instituted the European Organisation of Economic Cooperation (EOEC) was signed. Sixteen states were part of this convention: Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxembourg, Norway, the Netherlands, Portugal, the United Kingdom, Sweden, Switzerland and Turkey, and also the Western areas of occupation in Germania and Trieste. The main goal of the EOEC was to ensure the solidarity of European states in the effort of economic rehabilitation. Besides splitting the American aid, the organisation also dealt with the coordination of national economic politics and the creation of a multilateral payment system.¹⁰

The creation of the EOEC marked the passing of the Western world into a new stage of organisation based on concentrating their common economic effort in order to surpass the negative aspects caused by the war. The rejection of the Marshall Plan by the Soviet Union and its Eastern European satellites led to the political and economic isolation of Moscow and the countries under its control. Moscow had to give a reply to this entire situation. If the USA had managed to rally the Western European countries around common values and capitalist economy, the Soviet Union had to prove itself capable of uniting the Eastern European countries in a system based on the rules of socialist economy. This economic division of the world was theoretically argued by Stalin himself in his work *Economic problems of the socialism in USSR*, published in November 1952.¹¹

In this work, the Soviet leader founded the theory of the “dismantle of the all-inclusive world market of the capitalist system”, as the most important economic

result of World War. After this dismantle, “today we have two parallel world markets, opposed to each other”.

This theory contains the nucleus itself of the idea of the closed character of the two markets. In fact, this theory was at the base of the creation of a closed economic organisation, with its own laws, opposed to the general laws of international economic relations. The result was the creation of the *Council for Mutual Economic Assistance* or Comecon.

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