

The Marshall Plan: Could We Do It Again?

by

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Abstract

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The U.S. created and implemented the Marshall Plan out of necessity. Credited for saving Western Europe, the Marshall Plan assisted European Nations in recovering from the aftermath of WWII while preventing the Soviet Union from absorbing the entire continent. Implementation called for new organizations with experts in politics, agriculture, banking and others. Clear strategic objectives enabled unity of effort by DOS and the international community. In 2003, the U.S. invaded Iraq without a coordinated synchronized plan for construction operations. An ad hoc creation of an organization to oversee the program changed 3 times and each time it had new objectives, goals and vision. Reconstruction efforts in Iraq ignored the principles of the Marshall Plan. The Plan's basic framework allows for the implementation of reconstruction operations in today's complex environment, just as it did in 1947. The U.S. must consider the creation of a permanent office that follows the Marshall Plan's structural framework. The office executive serves as the central focal point to address all issues concerning nation building to ensure coordination and synchronization of all resources across the interagency.

The Marshall Plan: Could We Do It Again?

On the morning of June 5th, 1947 an official procession made its way to the stage to celebrate Harvard University's 286th Commencement and the first regular ceremony since the United States entered World War II.¹ Just two years after a war that devastated Europe and changed the life of nearly every American, the event was a welcome sign that life was slowly returning to pre-war conditions. However, the commencement speaker, Secretary of State George C. Marshall, knew this was not the case. The United States had emerged from World War II as a superpower with global responsibilities. As such, it had already provided the war-torn international community with almost \$20 billion dollars of international assistance from July 1945 - June 1947.² Up to this point, the U.S. had provided assistance as needed with no way to calculate how eventually to reduce requirements or to determine which programs best supported recovery efforts. The U.S. was providing funds blindly and in an undisciplined fashion.

Why the Marshall Plan was Necessary

The end of World War II and the slow recovery of Europe brought growing concerns to the Truman administration. Beyond the physical loss of infrastructure lay a whole array of invisible destruction. Factories were obsolete and unprepared to return to peacetime production, and the skilled workforce was but a fragment of what it had been before the war.³ The strained U.S. relationship with the Soviet Union was deteriorating more rapidly than expected, Greece was ravaged by a civil war between communists and royalists and Great Britain had recently informed Truman that it could no longer control its old sphere of influence in the Eastern Mediterranean and the Near East. The rest of the European economic and material situation was just as bleak. The U.S. and the Soviet Union were the only great powers strong enough to influence Europe.⁴ The

U.S. understood this and Marshall knew it had to move quickly to protect Western Europe from the grasp of the Soviet Union and its desire to expand communism.⁵

The news of the British turn inward motivated the U.S. to develop a comprehensive policy to assist Western Europe to a full recovery. Secretary Marshall's Harvard speech served as the platform to inform the world of the newly created policy that was known officially as the "European Recovery Plan" (ERP), but would forever be called the Marshall Plan. The ERP called for the improvement of basic industries of Western Europe. It focused on European production, with American aid helping to feed and equip Europe until the Europeans could do so on their own.⁶ From its beginning in June 1947 to its completion four years later, the Marshall Plan provided a devastated Western Europe approximately \$13 billion towards recovery.⁷

The Plan spearheaded a two-fold U.S. strategy. The reconstruction of Western Europe and the prevention of the spread of communism were both concerns for the U.S., Great Britain and France. Soviet rhetoric and grievances for more Western bloc reparations to meet their great financial needs (and to frustrate the recovery efforts in the West) increased from 1946-1947.⁸ The Plan used the power of the U.S. economy, backed by the strength of its military. Although proposed largely as a program to save Western Europe, it was also a strategy to protect U.S. national interest.

The Marshall Plan remains as relevant today as it did in 1947. Emerging from the Cold War as the world's sole superpower, the U.S. finds itself having to restore prosperity and security throughout the world, most recently in Iraq. American leaders should and can learn lessons from the Marshall Plan about the failure of the U.S. in Iraq. In Western Europe the U.S. role changed from that of occupation to one of

collaboration;⁹ the countries of Western Europe first helped themselves and then relied on the U.S. to support programs that were beyond their capacity. The assisted countries were collective participants in the process. The U.S. role in Iraq, by contrast, was not one of collaboration and the Iraqis were far from being active participants in building economic viability or recovery of any sort.¹⁰

Can the U.S. accomplish what it did with the Marshall Plan in today's complex global environment? Nation building is not something new for U.S. strategists, yet over the past 13 years they have been unable to achieve the objective as they did so brilliantly post-World War II. While the U.S. successfully executed a nation building strategy in Western Europe in 1947, it seems unable to do so today. The Marshall Plan was a successful strategy; accomplishing U.S. national interests while helping Europe recover from devastation. The Plan experienced tensions and set backs as any strategy does. This paper does not intend to portray the Plan as a perfect solution to nation building, but it does provide leaders with a proven framework, strong enough to withstand today's challenges and tensions, that would succeed today as it did in 1947. The Marshall Plan gave the people of Western Europe hope, restored their pride and delivered as promised while working with the Western European countries to meet their needs most effectively— not the other way around.

European Environment Post World War II

In 1945, Europe lay in complete devastation. Cities, towns and villages from one end of the continent to the other were a pile of rubble. Factories and farmlands lay in ruins, unable to produce the basic needs the people so desperately needed. Over the next two years the U.S. provided \$9 billion to international organizations in an attempt to assist in Europe's recovery efforts.¹¹ To make matters worse, the horrific winter of 1947

paralyzed the existing levels of Western Europe's production industry.¹² A summer drought followed the hard winter, worsening the existing problems and bringing Western Europe to a state of emergency.¹³ Britain decided to reduce its commitments in the Middle East and the Mediterranean by suspending aid and reducing its overseas forces.

Security was at the forefront of West European concerns. France feared that a rehabilitated Germany, with access to the powerful industrial region of the Ruhr, could launch a third war in as many generations. The remaining Western European countries, along with the U.S., had an even stronger fear of a rehabilitated Germany under Soviet control. The potential for the Soviet Union to gain a communist foothold in Western Europe was very real and posed the most dangerous threat to recovery efforts and U.S. vital interests. In the eyes of a desperate Western Europe populace, Communism was not necessarily the best option but appeared as the most appealing, a trend assisted by Soviet propaganda.¹⁴ The Soviets expected the economic crisis in Western Europe to intensify, providing an opportunity for the spread of communism beyond Eastern Europe.¹⁵ Retired General and Ambassador to Germany, Walter Bedell Smith, informed Secretary Marshall that the Soviet Union would attempt to prevent Western European countries from recovering economically, and would seek every opportunity to spread communism to the West.

The U.S. Increases Support to Europe

The U.S. decision to take an active role in the recovery of Europe served multiple purposes, ranging from responsibility to alleviate human suffering to the protection of European security and vital U.S. national interests. American leaders wanted to avoid what happened after victory in World War I, when the U.S. turned its back on Europe. That decision resulted in Europe's domination by a hostile power and a second world

war.¹⁶ The situation seemed similar at the end of World War II. The Soviets were on the move and posed a threat to the U.S. and Europe. The European nations were so weakened by the war they would not be able to meet the Soviet threat.¹⁷

The U.S. knew it had to act quickly and decisively. President Truman held a private Oval Office meeting with key Congressional leaders and Undersecretary of State Dean Acheson, who provided the Marshall Plan details. Acheson began by explaining the situation in Greece and its significance. Should the Greek government lose the Civil War, Greece would become a communist country under Soviet control. Acheson believed that the fall of Greece would lead to the fall of the Middle East all the way to India,¹⁸ and that such a development would directly influence Western Europe and marks the beginning of a Soviet-dominated Europe. Addressing the problem, the Truman administration asked the attending Congressional leaders for their support to increase funding to Greece, Turkey, the Middle East, and China, but, most importantly the nations of Western Europe.

Just that quickly, the Truman administration created a conceptual framework for American foreign policy for the next several decades.¹⁹ Following Acheson's compelling presentation the Congressional leaders pledged their full support, instantly becoming advocates of the Truman Doctrine and setting conditions for the Marshall Plan.

The State Department cautiously moved towards the creation of the Marshall Plan. According to historian John Gimbel, the policy itself did not emerge from a single author or plans group, but grew out of a series of decisions from the continued bureaucratic struggles over German and West European recovery.²⁰ Gimbel is correct in

that the Plan was flexible and that it changed with the environment, especially since the policy unfolded over several decades.

However, six U.S. statesmen were indispensable to the creation, execution and success of the Marshall Plan.²¹ They were Secretary of State George Marshall, Undersecretary of State for Economic Affairs William Clayton, Senator Arthur Vandenberg (R-MI), Richard Bissell, Paul Hoffman and W. Averell Harriman.²² Together, they envisioned a policy that allowed the U.S. to assume the role of an international power without arousing the Soviet Union.

The Plan seemed generous, was more economic than military, and would solve the problems of the British, French and Germans at once.²³ It called for the containment of Soviet expansionism, while simultaneously rebuilding and containing Germany, France and England. It established an array of economic relationships so that the U.S. could exercise influence over them all.²⁴

Implementing the Marshall Plan: The Framework

Marshall made perfectly clear the Plan's simple objective; "the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist."²⁵ The U.S. would no longer provide piecemeal aid to Europe but seek ways to cure long-term problems, ultimately resulting in a self-sustaining Europe. The Plan established a timeline, providing aid for four years, indicating a U.S. exit strategy and a goal for those participating to have effectively and sufficiently re-established production of all sorts for self-sustainability. Marshall best explained the simplicity of the policy designed to resolve the world's most complex problem when he declared, "The U.S. policy is directed not against any country or doctrine but against hunger, poverty, desperation and chaos."²⁶ It was open to all

countries, including the Soviets as long as they embraced the concept. The U.S. would not dictate terms, but sought to empower and embolden participating countries to control their own destiny.²⁷ Marshall believed it should be a joint program, agreed to by all participating countries with the initiative coming from Europe.²⁸

The Plan came with motives and Marshall was completely transparent that it was rooted in U.S. security and economic interests. He believed, "There can be no political stability and no assured peace as long as Europe's economy was mired in desperation and dysfunction."²⁹ Investment in the recovery of Europe served U.S. self-interests best as a means to preserve international security, the primary objective in foreign affairs.³⁰

The important task of executing the Marshall Plan fell upon the Economic Cooperation Administration (ECA), a product of the Foreign Assistance Act of 1948.³¹ The ECA was a joint independent administration led by businessman Paul Hoffman.³² The ECA oversaw a four year, \$1.7 billion system of grants for European nations to purchase U.S. products to promote industrial and agricultural production, gain financial stability and stimulate trade within Europe and the international community.³³ Congress provided payments through the European Recovery Act to participating European countries with annual installments.³⁴ The sixteen participating nations received U.S. funds by submitting specific request to the ECA. The ECA evaluated and approved assistance in accordance with each country's recovery priorities found within its individual four-year recovery plan of action.³⁵ Payments for delivery of goods and services complemented a monetary system that matched national funds, known as counterpart funds.³⁶ These funds strengthened currencies and applied towards bottleneck sectors of each financial institution at no additional U.S. expense.³⁷ The ECA

created country teams for each of the sixteen nations. Those teams worked directly with the government of each country on day-to-day issues to implement their recovery plans.

The Organization for European Economic Cooperation (OEEC) consisted of representatives from the sixteen participating nations and promoted unity between donor nations.³⁸ The OEEC, led by U.S. businessman Averell Harriman (special representative to the sixteen participating countries), worked with the ECA to develop economic stability throughout Western Europe, ensuring each country's dependency on extraordinary assistance ended after four years.³⁹ The OEEC ensured the recovery efforts were not based on what the U.S. believed necessary for the country but what the countries believed best served their recovery efforts. Country teams were key to ensuring recovery efforts followed each nations plans of action.

Successful country teams used U.S. models of practice as a means of introducing new programs.⁴⁰ They never offered quick fixes but phased the processes in gradually, increasing the potential for cultural acceptance. Greece's ancient farming practices were deeply rooted culturally, despite its inefficiencies. Introducing modern farming techniques could not be done overnight. The Greek Agricultural Extension Service project exemplifies this approach; over time it increased food production and modernized ancient Greek agricultural systems.⁴¹

In Italy, Marshall Planners believed Italian problems revolved around unemployment. Italian administrators and political parties disagreed and used the OEEC to focus recovery efforts on their priorities in accordance with the drafted plan of action. The Italians were determined to first focus on stabilizing their currency in an effort to control inflation, which proved the largest burden for the Italian population.⁴²

Demonstrating great flexibility, the country team “adjusted and accommodated to Rome’s deflationary policies.”⁴³

In 1948 West Germany remained an occupied country, led by military governors. Unlike the rest of Europe, West German zones of occupation did not have a German government to create plans of action and set priorities. British and American zones of occupation merged into Bizonia, a single economic entity consisting of forty million people.⁴⁴ American General Lucius Clay gained responsibility for Bizonia without a U.S. policy for governing, leaving him to make decisions on his own accord.⁴⁵ Some decisions contradicted the Marshall Plan and Clay found himself in the middle of chronic interagency conflicts and inter-allied feuds.⁴⁶ The State Department and the U.S. Army had fundamental differences in prioritized recovery efforts, preventing a unity of effort and creating tensions between both organizations. Without an existing West German government, national priorities were left to Clay’s discretion.⁴⁷ Focused solely on West Germany, Clay believed his priority was to rapidly restore the economic self-sufficiency of West Germany. Therefore, he capitalized on the region's industrial heartland, increasing production levels to prewar rates and keeping more industrial plants opened than originally planned.

Clay addressed the political problem, working from the bottom up to create a new West German democratic political system. He established local governing bodies in small towns and villages, allowing them to govern themselves. Both he and the ECA believed the seeds of a democratic republic would emerge and consume West Germany, simultaneously strengthening the economy while delegitimizing communism.⁴⁸

The examples provided illustrate the difficulties each nation faced while trying to recovery from a devastating war. In Greece, the ECA and the country teams were not perfect in understanding national priorities and cultural influences but were determined to help the Greek people. Greece significantly benefitted from the Marshall Plan, re-establishing a government and economy that allowed for long term self sustainment. In Italy, the government listened to its populace and demanded the ECA follow the course established in their national plan of action. Each national plan of action provided the ECA and the OEEC a blueprint that satisfied the needs of each country, not a blanket approach that provided an American solution to European problems.

West Germany is an example that today's leaders can best use. It provides a realistic example of the internal conflicts and tensions that exist between the military, the State Department and the interagency. General Clay, as military governor, possessed immense powers, leading the country from the war's end to the start of the Marshall Plan. When State Department representatives arrived and began telling him how to run his command, it was not surprising he took offense, ultimately treating the ECA representatives heavy-handedly and providing little or no support to them.⁴⁹ Amongst those within the ECA, OEEC and Washington, Clay's headquarters was known as "the least cooperative member of the OEEC."⁵⁰

Creating the Reconstruction Effort in Iraq:

In 2003 the U.S. found itself revisiting a time in history when invasions, liberations and occupations were necessary for victory. The invasion of Iraq began as a liberation operation, aiming to remove Saddam Hussein from power and free the people of Iraq from oppression. The liberation of Iraq came in just a few weeks, but the lack of strategic vision⁵¹ and the processes required to implement a massive recovery effort

that cost the Iraqis \$146 billion, the U.S. \$60 billion⁵² and more than four thousand lives.⁵³ Two months prior to one of the world's fastest, most successful invasions, the U.S. created the organization that would lead the reconstruction effort in Iraq. Secretary of Defense Donald Rumsfeld asked retired General Jay Gardner to put together an ad hoc organization responsible for the management of the Iraqi regime replacement.⁵⁴ This organization was the Office of Reconstruction and Humanitarian Assistance (ORHA), which began planning for the post-conflict phase in January 2003.

Gardner understood the size of the task he had to accomplish and immediately looked at U.S. military history to help him accomplish his mission. He was no stranger to the planning process, but the U.S. had not executed liberation and occupation operations since World War II. The most recent operations that resembled reconstruction were in Bosnia and Kosovo.

World War I first introduced the Army to occupation duties on a grand scale. General John J. Pershing, commander of the American Expeditionary Force, created the Third U.S. Army, with the responsibility to occupy Germany and provide military governance until a national government could be reconstituted.⁵⁵ Following occupation duties, a multivolume after action report, known as the Hunt Report⁵⁶, was published and revealed that U.S. occupation forces were not trained or organized to lead millions of civilians from the turmoil of war back to national sovereignty, since Americans lacked knowledge of German culture, politics, agriculture and civil infrastructure.⁵⁷ The 2003 U.S. invasion forces were no better trained or organized than American soldiers of World War I.

During World War II, the Army liberated and occupied many nations, but perhaps Italy best resembled the conditions Gardner and his planners faced for the liberation of Iraq. A Fascist Italian nation began the war as a German ally, but the overthrow of its dictator Mussolini in 1943 led to a declaration of war against Germany, with U.S. hopes that Italy would become a necessary ally to defeat Germany. The goals in Iraq were to quickly overthrow Saddam Hussein and to create a new alliance with the Iraqi government to deter Iran from threatening U.S. national interest. General Eisenhower, commander of the Allied Expeditionary Forces, had to decide whether to establish a military government in Italy or to let the Italian Fascist Party to continue in power. British Prime Minister Winston Churchill convinced the Americans that it would be best to use the Fascist party since it would free up military personnel and stood a better chance of recreating a self-sufficient government.⁵⁸ Those who held Fascist leadership positions were dismissed, but party members who worked in civil infrastructure stayed in place and proved vital to restoring basic services.⁵⁹ Allied leaders quickly determined they could not remove all members of the party, since it would cause a complete breakdown of the Italian administrative and technical services.⁶⁰ U.S. commanders understood that since “Fascist Party membership was the only route to advancement,”⁶¹ punishing the average citizen served no purpose as most were seen to be victims of the Fascists.

The U.S. took the same approach following German surrender. German courts and education systems were disbanded, but general administration, railways and public utilities remained open with German civil servants in charge, presumably minor Nazi officials.⁶² The U.S. leaders would forget this valuable lesson in 2003, disbanding all Ba’athist Party members and completely destroying any existing government in Iraq.⁶³

Plans for an Occupation

Concerns on the part of the Pentagon and U.S. Central Command (CENTCOM) for a potential Iraqi occupation began as early as 1997. General Hugh Shelton, Chairman of the Joints Chiefs of Staff, asked CENTCOM commander, Marine Corps General Anthony Zinni, to examine the outcome of an Iraqi regime collapse and potential U.S. occupation. The most alarming concern of Zinni's staff was the anticipated lack of participation from U.S. civilian agencies needed to successfully conduct an occupation.⁶⁴ To gain the necessary support, CENTCOM sponsored a series of conferences with senior representatives from the Departments of State, Justice, Treasury, and the Central Intelligence Agency (CIA) to discuss plausible scenarios for a projected takeover of Iraq.⁶⁵ General Zinni understood the need for interagency cooperation to achieve a unity of effort if CENTCOM were to implement a successful occupation. Additionally, he believed the U.S. would have to maintain a strong Iraqi Army for security purposes, primarily to keep Iran and potential non-state actors from threatening the new Iraqi government.⁶⁶

On January 20, 2003, President George W. Bush signed National Security Presidential Directive-24 (NSPD-24), directing DOD to establish a Post-War Planning Office to begin preparation for the transition following an invasion of Iraq.⁶⁷ Gardner began creating his ad hoc team to address the post conflict phase for Iraq's liberation, experiencing multiple obstacles and little assistance from the Office of the Secretary of Defense (OSD).⁶⁸ Gardner accepted an OSD-provided organizational template that consisted of three basic pillars (humanitarian assistance, reconstruction and civil administration of Iraq) on which OHRA would focus its efforts.⁶⁹ Retired General Ron Adams, Gardner's new deputy, believed the operational template was loosely thought

out and in need of greater detail.⁷⁰ Adams and Gardner met with Doug Feith, the Undersecretary of Defense for Policy, to discuss their mission. Feith explained that Gardner and Adams were to build an interagency team and prepare it for deployment to the Middle East for which they would operationalize previously conducted planning.⁷¹ Adams later commented that it was unclear who had conducted the planning and what the results had been.⁷²

The End of an Invasion

The invasion began in March 2003, and three weeks later President Bush proclaimed that the liberation of Iraq was complete, officially ending combat operations and triggering the start of the post-conflict phase. Until now, only cursory, separate, and uncoordinated post conflict-planning efforts by the Department of Defense (DOD) and Department of State (DOS) occurred.⁷³ Gardner formed an Iraqi Interim Authority to assume control over the government until the OHRA could reactivate Iraqi ministers and re-establish essential services.⁷⁴ He prioritized his efforts according to the OHRA mission. Politically, he worked to establish consultative and judicial councils for government's transition. Bureaucratic reforms began with municipal elections and a constitutional convention that included several hundred Iraqi delegates, which led to a January 2005 national parliamentary election.⁷⁵ Economically, the OHRA focused on the Iraqi banking system by restoring currency standardization allowing financial progression towards free markets. It also looked to improve electrical and water infrastructure systems and alleviate unemployment.⁷⁶ Security reforms focused on the Iraqi agencies that had suppressed the populace. Gardner planned to disband agencies such as the secret police, special and intelligence court systems and the Republican Guard. The civil police and most of the Regular Army would go back to work.⁷⁷ The U.S.

approach to reinstating civil institutions included the very Ba'athist party members who oversaw daily operations prior to the invasion. As executed in Europe in 1943-45, where only Fascists and Nazi leaders were removed, ordinary party members were necessary to keep basic institutions running. The OHRA set out to create the Iraq Reconstruction Development Council, meant to include Iraqi leaders into project decision-making,⁷⁸ a concept similar to the Marshall Plan's OEEC.

Ambassador Paul Bremer arrived in Iraq in May 2003. The OHRA conducted a three-week transition to become the Coalition Provisional Authority (CPA). Three successive organizations held the responsibility for providing strategic oversight for U.S. reconstruction.⁷⁹ Bremer would transition the OHRA to the CPA, leaving oversight to the DOD. In June 2004, the CPA changed once again to the U.S. Mission-Iraq, with oversight belonging to the DOS. All three organizations developed successive and differentiated reconstruction strategies.⁸⁰ While organizations within the Marshall Plan changed names, the overall strategic vision and concept for recovery never did.

Bremer's first two orders were de-Ba'athification and the disbanding of the Iraqi Army.⁸¹ The Iraqi Minister of Finance, Rafi al-Eissawi, told him that the de-Ba'athification program led to the dismissal of many competent government employees who had insignificant connections to the Ba'ath Party beyond general membership.⁸² Similar to Italy's Fascist Party, Iraqi government employees had no choice but to become Ba'athist members. Unfortunately, low-level Ba'athist members who, prior to the invasion, oversaw daily operations of all civil institutions were now unemployed. As a result, amateurs without any qualifying experience ran the new Iraqi government and its civil institutions.⁸³ The CPA strategy focused solely on large electrical and water

infrastructure projects. There were no attempts to solidify the Iraqi Reconstruction Development Council or the other programs designed to build a government and strengthen a weak economy. This strategy was not well received by the interim Iraqi government or the Iraqi people.⁸⁴

U.S. reconstruction efforts in Iraq never had a strategic vision and systematic process to execute reconstruction operations like those that existed in the Marshall Plan. The lack of interagency interest that Gardner experienced improved but never truly evolved under Bremer. The CPA received a third of the required staff promised by the interagency organizations and those members lacked the necessary experience to perform their duties.⁸⁵ Without a strategy for reconstruction, the task ultimately fell upon the U.S. Army.

Tactical commanders, using funds from the Commanders Emergency Relief Program (CERP), determined the majority of the reconstruction projects in an effort to achieve strategic results. Reconstructive efforts failed to meet original goals because of shifting priorities and a lack of consultation with Iraqi authorities.⁸⁶ Unlike the Marshall Plan, the Iraqis were never required to develop a plan of action that listed project priorities. They too lacked a vision for reconstruction and recovery.⁸⁷

NSPD-36 announced the third change in the U.S. strategic reconstruction efforts. The DOS provided oversight to the new U.S. Mission-Iraq and directed a refocusing of effort on smaller projects at the local level, creating jobs and improving local services.⁸⁸ Provincial Reconstruction Teams (PRTs) were created to help tactical commanders accomplish the new tasks. PRTs were integrated civilian-military teams designed to

work at the Provincial government level. They assisted Provincial leaders in developing local government services and infrastructure.⁸⁹

The arrival of General David Petraeus, Commander of the Multi-National Forces – Iraq (MNF-I) brought positive change. Additional forces, to include PRTs and additional interagency civilians, increased the level of integration in civilian-military operations throughout Iraq. Operations in Iraq came to a close in 2009 as President Obama announced the U.S. withdrawal. Petraeus then focused efforts on transitioning security and reconstruction efforts to the Government of Iraq.⁹⁰ By August 2012 the Iraqi government controlled the reconstruction efforts throughout Iraq.

Lessons Learned

The final report on Iraq by the Special Inspector General for Iraq Reconstruction (SIGIR), Stuart W. Bowen, provides seven recommendations to improve future reconstruction efforts.⁹¹ First, he suggests the U.S. create an integrated civilian-military office to plan, execute and be accountable for contingency rebuilding activities during stabilization and reconstruction operations. The lack of planning and unity of effort between the interagency and DOD prior to the 2003 invasion doomed reconstruction efforts. The Marshall Plan's framework created the ECA to accomplish the tasks Bowen presents. The ECA directed responsibilities for planning and executing reconstruction activities, creating the unity of effort necessary to accomplish U.S. national security interests.⁹² U.S. senior officials could have used the Marshall Plan framework as an example to effectively accomplish Iraq reconstruction operations.

Second, the reconstruction process should not occur until sufficient security forces are available and to start with small programs and projects.⁹³ Security is a must. Greece could not move forward with the recovery program until it concluded its civil war.

Starting recovery efforts before then would have jeopardized any potential for success. Another lesson learned previously while executing the Marshall Plan.

Third, ensure the Host-nation's full engagement in the program, particularly for the selection of projects. This also applies to its commitment to share costs and sustain completed projects following transfer.⁹⁴ Although the CPA made attempts to engage Iraqi leaders, they believed the effort was not adequate, resulting in projects that were not needed or unnecessary. The U.S. required countries participating in the Marshall Plan to agree to all requirements, including shared costs. They were also required to create a plan of action for their recovery efforts. The ECA and the U.S. country teams, for the most part, followed the Host-nation's plans of action as agreed.

Fourth, provide a uniform contracting, personnel and information management system used by all participants.⁹⁵ Although a system was in place to manage money and projects, not all recovery participants used the system appropriately. The ECA and OEEC served this purpose for the recovery of Europe. As Bowen suggests for today's recovery programs, the ECA and OEEC followed a strict set of rules to approve, manage and oversee projects.

Fifth, require robust oversight of all reconstruction activities from operations to inception.⁹⁶ Again, the Marshall Plan's country teams provided the oversight Bowen mentions. It wasn't until the PRTs entered Iraq that this system became available.

Sixth, preserve and refine programs developed for Iraq's reconstruction, like CERP and the PRTs.⁹⁷ European country teams proved invaluable throughout Europe's recovery. The PRTs accomplished this when they were finally implemented during the third iteration of the U.S. recovery strategy.

Finally, plan in advance; plan comprehensively and in an integrated fashion.⁹⁸ As previously mentioned, planning efforts for reconstruction operations were not integrated throughout the interagency and DOD. No attempt to unify interagency and DOD efforts occurred. This was not the case for the Marshall Plan. The ECA held this responsibility and utilized planners from within to plan, coordinate and execute the operations.

Conclusion

Post-World War II recovery efforts began as half-hearted attempts to assist European countries emerge from complete devastation and destruction to prewar conditions. The cursory recovery plan addressed Europe's problems by blindly funding European and International assistance organizations. There were no means to calculate success or govern the application of funds towards efforts that best serve their national initiatives. Without a well-crafted recovery plan the U.S. would continue to spend billions of dollars on ineffective recovery programs.

Between 1945-1947, the U.S. provided \$20 billion towards Europe's recovery with disproportionate results. Some nations worked hard to quickly return to prewar conditions. Other Western European countries like Greece, Italy, France and West Germany were at risk of communist take-over, threatening U.S. national interest and Western European security. A severe European winter, followed by a summer drought, enhanced the severe deprivation of food and agricultural shortcomings. Great Britain was most affected. Financially unable to defend its vast empire, it hastily granted independence to many of its colonies, presenting greater opportunities for communist takeover.

The U.S. emerged from World War II as a superpower with an obligation to support European recovery efforts, but not in their current state. The U.S. was unwilling

to continue sending money to an ineffective recovery program that offered little to no advantage to U.S. interest. The European Recovery Program (ERP), better known as the Marshall Plan, was designed to feed, equip and rebuild Western Europe, while simultaneously preventing the spread of communism by creating “an economic environment favorable for the growth and development of democratic processes and economic prosperity.”⁹⁹ The Marshall Plan was a strategy to help Western Europe, and it also protected U.S. national interest.

The Marshall Plan was designed to assist Western Europe in areas where nations could not help themselves. Assistance occurred in accordance with the nations' prioritized plan of action. Funds were no longer blindly thrown into projects or programs without oversight. The designers of the Marshall Plan created the necessary organizations--the ECA, OEEC and country teams--to provide oversight of the process and to prevent bureaucracy from slowing recovery efforts, preventing waste and fraud.

The U.S. was not new to the concept of nation building. The Marshall Plan illustrates the interagency cooperation to accomplish such an incredibly complex task. Planning for the invasion of Iraq occurred for more than two years, yet two months prior to the invasion a strategic objective or clear vision for a new Iraqi government still did not exist. OHRA was created as an ad hoc organization with little acceptance or support from DOD, its parent organization. Charged with operationalizing a plan created by DOS, OHRA deployed with less than sufficient staff and little to no plan to reconstruct Iraq's infrastructure, institutions or administrations. At the start of the invasion the plan for Iraqi reconstruction was cursory at best and only covered the four months DOD anticipated it would take to establish an Iraqi government capable of

taking over reconstruction efforts. It quickly became apparent that DOD “misread the nature of the Iraqi people and state, failing to make adequate preparations to put a new government in place.”¹⁰⁰

Sadly, it is unlikely that the U.S. today has the capability of executing a feat as large as the Marshall Plan, not without major mentality and capability adjustments within the DOS and remaining interagency organizations. The initial effort to create a unified structure designed to coordinate all recovery labors in Iraq was ineffective. The OHRA’s rapid changes in leadership and strategy left recovery efforts in chaos. The OHRA, CPA and finally U.S.-Mission Iraq failed to provide a central point for effective command and coordination. Without an effective central organization, reconstruction work cannot proceed with certainty of direction and purpose.¹⁰¹ The multitude of federal entities duplicating efforts and work further complicated reconstruction, resulting in higher cost and failed outcomes.¹⁰²

DOS and DOD executives and planners had historical references available to develop a modern organization to execute Iraqi reconstruction operations. Unlike Iraq, the Marshall Plan clearly communicated U.S. strategic vision with objectives to internal and international audiences. This was difficult to accomplish for Iraq as the White House, DOD, DOS and the CIA all carried out different strategies.¹⁰³ Clear and succinct goals allowed Secretary Marshall and the Truman Administration to gain Congressional support for proper funding. Although Congress provided funding for Iraq’s reconstruction efforts, budget battles became the norm and a constant distraction for Washington. The U.S. spent \$60 billion on reconstruction efforts in the hopes of providing long-term security, creating a reliable partner to protect U.S. strategic interest.¹⁰⁴ Unfortunately,

pouring billions of dollars into a country without synchronized national objectives wastes money and directly contributes to failed programs.

Reconstruction efforts must be lead from a single entity with direct oversight for planning and executing reconstruction operations. Stuart Bowen, U.S. Special Inspector General for Iraqi Reconstruction (SIGIR), suggests that the U.S. government create an Office of Contingency Operations (USOCO), with the duties and responsibilities of filling the existing void.¹⁰⁵ Staffed properly, the USOCO could essentially fulfill the role of the ECA, answering directly to the Secretary of State.

Ad hoc organizations cannot lead reconstruction operations. The Marshall Plan could have served as a relevant model for DOD and DOS to properly set conditions to restore an Iraqi government and reconstruct the nation. This topic requires additional research focusing on Bowen's recommendations of creating the USOCO.

The major failure in Iraqi reconstruction was the inability to create an effective organization designed to lead recovery tasks. If such an office had existed in advance, perhaps a more detailed, well-constructed, and synchronized plan could have emerged prior to March 2003. Research must determine the organizational structure, duties responsibilities and command and control authorities, and DOS must have mechanisms in place to incorporate current environmental conditions and to create recommended policies and strategic objectives for nation-building operations.

The application of the Marshall Plan's strategies and organizational structure towards Iraq's reconstruction efforts could have prevented a long, drawn out process that cost the U.S. billions of dollars and arguably a lasting peace. Even today, a strategic concept to conduct nation building does not exist, despite the valuable lessons

we have learned since 2003. The risk of making the same mistakes we made in Iraq is just as high today.

Endnotes

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³ Charles L. Mee Jr., *The Marshall Plan, The Launching of the Pax Americana* (New York: Simon and Schuster, 1984), 17.

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⁵ *Ibid.*, 19.

⁶ Alexander, *The Marshall Plan*, 6.

⁷ Behrman, *The Most Noble Adventure*, 4.

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¹⁰ *Ibid.*

¹¹ Alexander, *The Marshall Plan*, 7.

¹² Albrecht Ritschl, "The Marshall Plan, 1948-1951," 1, <http://eh.net/encyclopedia/the-marshall-plan-1948-1951> (accessed December 22, 2014).

¹³ Behrman, *The Most Noble Adventure*, 27.

¹⁴ *Ibid.*, 18.

¹⁵ Alexander, *The Marshall Plan*, 12.

¹⁶ Allen W. Dulles, *The Marshall Plan* (Providence: Berg Publishers, 1993), 1.

¹⁷ *Ibid.*

¹⁸ Mee, *The Marshall Plan, The Launching of the Pax Americana*, 42.

¹⁹ *Ibid.*, 50.

²⁰ John Gimbel, *The Origins of the Marshall Plan* (Stanford: Stanford University Press, 1976), 4.

²¹ Behrman, *The Most Noble Adventure*, 4.

²² Ibid.

²³ Mee, *The Marshall Plan, The Launching of the Pax Americana*, 80.

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²⁵ Behrman, *The Most Noble Adventure*, 69.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Alexander, *The Marshall Plan*, 8.

³¹ Anthony Carew, *Labour Under the Marshall Plan* (Detroit: Wayne State University Press, 1987), 6.

³² Paul R. Porter, "From the Morgenthau Plan to the Marshall Plan and NATO," in *The Marshall Plan From Those Who Made it Succeed*, ed. Constantine C. Menges (Lanham, MD: University Press of America, 1999), 68.

³³ Tyler Cowen, "The Marshall Plan: Myths and Realities," 63, https://www.gmu.edu/centers/publicchoice/faculty%20pages/Tyler/Marshall_Plan.pdf (accessed December 22, 2014).

³⁴ Ritschl, "The Marshall Plan, 1948-1951," 1.

³⁵ Organization for European Economic Co-operation, "Interim Report on the European Recovery Program," *Political Science Quarterly* 64, no. 3 (1949): 11.

³⁶ Ritschl, "The Marshall Plan, 1948-1951," 1.

³⁷ Ibid.

³⁸ Robert L Hubbell, "Participating in the Prologue and Epilogue of the Marshall Plan," in *The Marshall Plan From Those Who Made it Succeed*, ed. Constantine C. Menges (Lanham, MD: University Press of America, 1999), 43.

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⁴⁰ Barry Machado, "In Search of a Usable Past: The Marshall Plan and Postwar Reconstruction Today," <http://marshallfoundation.org/library/collection/in-search-of-a-usable-past/#!/collection=342> (accessed December 27, 2014). 66.

⁴¹ Ibid.

⁴² Mee, *The Marshall Plan, The Launching of the Pax Americana*, 252-253.

⁴³ Machado, "In Search of a Usable Past: The Marshall Plan," 75.

⁴⁴ Ibid., 97.

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷ Ibid., 98.

⁴⁸ Ibid., 99.

⁴⁹ Ibid., 104.

⁵⁰ Ibid.

⁵¹ Stuart W. Bowen, Jr., *Learning From Iraq: A Final Report From the Special Inspector General For Iraq Reconstruction* (Washington DC: U.S. Library of Congress, Congressional Research Service, March 2013), 21.

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⁵³ David Wood, "Iraq Reconstruction Cost U.S. \$60 Billion, Left Behind Corruption and Waste," *Huffington Post Online*, March 6, 2013, 1, http://huffingtonpost.com/co13/03/06/iraq-reconstruction_n_2819899.html (accessed January 24, 2015).

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⁵⁵ Rudd, *Reconstructing Iraq, Regime Change, Jay Gardner and the OHRA Story*, 6, quoted in *The United States Army in the World War, 1917-1919, Vol II, American Occupation of Germany* (Washington, DC,: US Army Center of Military History, 1948), vii.

⁵⁶ During the 1920's and 1930's the U.S. Army War College used the Hunt Report to study the occupation of the Rhineland. In 1939, the Army published FM 27-10, *The Rule of Land Warfare*, a field manual that provided guidance concerning the rights and obligations of occupied forces. In 1940, FM 27-5, Military Government was published for the management of liberated and occupied areas. Rudd, *Reconstructing Iraq, Regime Change*, 7.

⁵⁷ Rudd, *Reconstructing Iraq, Regime Change*, 6, quoted in *The United States Army in the World War, 1917-1919, Vol II*, 146.

⁵⁸ Rudd, *Reconstructing Iraq, Regime Change*, 10.

⁵⁹ Ibid.

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² Ibid., 15; Hajo Holborn, *American Military Government: Its Organization and Policies* (Washington, DC: Infantry Journal Press, 1947), 36-37.

⁶³ Bowen, *Learning From Iraq: A Final Report*, 13.

⁶⁴ Rudd, *Reconstructing Iraq, Regime Change*, 38

⁶⁵ Ibid.

⁶⁶ Bowen, *Learning From Iraq: A Final Report*, 26.

⁶⁷ Rudd, *Reconstructing Iraq, Regime Change*, 98.

⁶⁸ Bowen, *Learning From Iraq: A Final Report*, 39.

⁶⁹ Rudd, *Reconstructing Iraq, Regime Change*, 95.

⁷⁰ Ibid.

⁷¹ Ibid., 97

⁷² It is believed that Feith was referring to the FOI conferences that DOS conducted with other agency representatives as well as the Iraqi citizens living in the U.S. The planning efforts were not conducted in a unified manner, coordinated or synchronized amongst all of the players that would be called upon to execute the plan. Rudd, *Reconstructing Iraq, Regime Change*, 69-75.

⁷³ In February 2002, the Department of State initiated an ambitious study and planning effort of what should follow regime removal in Iraq. The task was to develop a multidimensional concept to shape a replacement regime for Iraq with the people of Iraq. The project was known as Future of Iraq (FOI) project. FOI focused on interaction with the people who knew Iraq institutions first hand. Participants included representation from DOD but were limited and Civil Affairs personnel did not join until the project was well underway. The DOS sponsored conferences were by no means a coordinated effort with the CENTCOM planning efforts. Rudd, *Reconstructing Iraq, Regime Change*, 69.

⁷⁴ Ibid., x.

⁷⁵ Ibid., 99.

⁷⁶ Ibid.

⁷⁷ Ibid.

⁷⁸ Bowen, *Learning From Iraq: A Final Report*, 39.

⁷⁹ Ibid., 38.

⁸⁰ Ibid.

⁸¹ Ibid., 40.

⁸² Ibid., 13.

⁸³ Ibid.

⁸⁴ Ibid., 40.

⁸⁵ Ibid.

⁸⁶ Ibid., 14.

⁸⁷ Ibid.

⁸⁸ Ibid., 41.

⁸⁹ Ibid., 42.

⁹⁰ Ibid., 45.

⁹¹ Ibid., 129.

⁹² Ibid.

⁹³ Ibid., 130.

⁹⁴ Ibid.

⁹⁵ Ibid., 131.

⁹⁶ Ibid.

⁹⁷ Ibid.

⁹⁸ Ibid., 132.

⁹⁹ Alexander, *The Marshall Plan*, 14.

¹⁰⁰ Rudd, *Reconstructing Iraq, Regime Change*, vii.

¹⁰¹ Middle East Institute, "Learning From Iraq: A New Model for Stability and Reconstruction Operations," May 21, 2013, video file, <http://www.mei.edu/events/learning-iraq-new-model-stability-and-reconstruction-operations> (accessed January 11, 2015).

¹⁰² Ibid.

¹⁰³ Bowen, *Learning From Iraq: A Final Report*, 19.

¹⁰⁴ U.S. Congress, Senate, Committee of Foreign Affairs, Special Subcommittee on the Middle East and North Africa, *Learning From Iraq: A Final Report From the Special Inspector General For Iraq Reconstruction*: Hearings before the Special Subcommittee on the Middle East and North Africa, 113th Cong., 1st sess., July 9, 2013, 3, <http://www.foreignaffairs.house.gov/> (accessed January 11, 2015).

¹⁰⁵ Middle East Institute, "Learning From Iraq," 1.