• Stop spread of communism (although Truman did not admit this at the time.)
• Help economies of Europe to recover (this would eventually provide a market for American exports)

Billions of dollars poured into Europe 1947-1951 providing vital help. Also caused tensions

• Only 16 European countries accepted it (all were western states)
• Stalin refused martial aid for the USSR and banned eastern Europe countries form accepting it.

Stalin saw it as US businesses attempting to dominated EE

Why it was significant

Introduced the policy of containment. USA coming out of isolation to get involved with foreign affairs.

Marshall aid- After ww2 Europe’s economies were deveasted – economic collapse could mean spread of communism. The Marshall Plan was the American initiative to aid Europe, in which the United States gave $13 billion in economic support to help rebuild European economies after the end of World War II in order to prevent the spread of Soviet Communism and to get the economy of Europe going again. Those who received aid would be expected to buy US goods and provide opportunities for US capital.
Stalin forbade the Cominform countries to apply for Marshall Aid.

In 1945, the Allies decided to split Germany into four zones of occupation. The capital, Berlin, was also split into four zones. The USSR took huge reparations from its zone in eastern Germany, but Britain, France and America tried to improve conditions in their zones.

In June 1948, Britain, France and America united their zones into a new country, West Germany.

On 23 June 1948, they introduced a new currency, which they said would help trade.

The next day, Stalin cut off all rail and road links to West Berlin - the Berlin Blockade. The west saw this as an attempt to starve Berlin into surrender, so they decided to supply West Berlin by air.

On 12 May 1949, Stalin abandoned the blockade

1. Germany was divided into the Federal Republic of Germany (West Germany) and the Democratic Republic of Germany (East Germany) until 1990.
2. The Iron Curtain became permanent.
3. The Cold War broke out into open confrontation, and the two superpowers began an Arms Race.