

## Aufsatz

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# Likewise supportive – The European Recovery Program and the Nash-Commitment

Rebuilding West Germany and its armed forces

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*As part of the reconstruction aid of the USA (Nash-List) the Bundeswehr received a total of 1.110 M47 Patton main battle tanks.*

If one takes a closer look at today's German Armed Forces, called the Bundeswehr,<sup>1</sup> it resembles a professional military integrated at a high level into international organizations such as the United Nations (UN), the North Atlantic Treaty Organization (NATO) and the European Union (EU).<sup>2</sup> Being part of a large number of international

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<sup>1</sup> For the newest literature on today's German security policy and the Bundeswehr, see Ina Wiesner (ed.), German Defense Politics. Baden-Baden 2013.

<sup>2</sup> For more about the official view on this topic, see e.g.: Bundesministerium der Verteidigung, Das Weißbuch 2016 zur Sicherheitspolitik und zur Zukunft der Bundeswehr. Berlin 2016. Also online at: <https://www.bmvg.de/portal/a/bmvg/start/weissbuch/downloads/> (last access: March 12th, 2020).

operations in recent years<sup>3</sup> as well as being the cornerstone of the defense of Central Europe during the Cold War shaped this army in the course of over 60 years.<sup>4</sup> From its very beginning the Bundeswehr was fully integrated into the democratic, pluralistic and constitutional system of the Federal Republic of Germany.<sup>5</sup> The relationship between the German armed forces and its populace has ever since grown to be quite positive.<sup>6</sup> Having said that, the first steps are always the hardest. This is the case in particular while creating a new state, especially after a physically and morally devastating defeat in an illicit war, and is true not only for the military but for German society as a whole.<sup>7</sup>

After World War II the United States government was eager to avoid the major mistakes the Entente had made after World War I. Consequently, the Truman administration was determined to take part in shaping the future of the former "theaters of war" in Europe and Southeast Asia.<sup>8</sup> Due to the massive war-related destruction in Europe and an approaching economic disaster on this continent – which would have affected the whole world – the government in Washington decided on a "Europe first" approach and focused on reconstructing the Old World.<sup>9</sup> With the European Recovery Program (ERP) it pooled most of the early initiatives in a very effective policy directed at the unique post-war situation in Europe.<sup>10</sup> Only a few years later, referring to its success, the newly elected Eisenhower administration used the same methods to bolster the reconstruction or even build-up of different armies in democratic European nations against the threat of communism in its "New Look policy".<sup>11</sup> The build-up of West German armed forces was fostered with a "dower" from Washington: the so-called "Nash-Commitment".

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**3** For a comprehensive analysis of the Bundeswehr in international operations, see e.g.: Hans J. Gießmann and Armin Wagner (eds.), *Armee im Einsatz. Grundlagen, Strategien und Ergebnisse einer Beteiligung der Bundeswehr*. Baden-Baden 2009.

**4** About the Bundeswehr during the Cold War, see e.g.: Martin Rink, *Die Bundeswehr 1950/55-1989*. München 2015 (= *Militärgeschichte kompakt*, 6).

**5** The complex process of integrating the Bundeswehr into the German society is best described in: Klaus-Jürgen Bremm, Hans-Hubertus Mack and Martin Rink (eds.), *Entschieden für Frieden. 50 Jahre Bundeswehr. 1955 bis 2005*. Freiburg 2005.

**6** The current relationship between the Bundeswehr and German society is well described in: Markus Steinbrecher, Heiko Biehl, Evelyn Bytzeck and Ulrich Rosar (eds.), *Freiheit oder Sicherheit? Ein Spannungsverhältnis aus Sicht der Bürgerinnen und Bürger*. Berlin 2018.

**7** The famous interpretation of German society after World War II was delivered by: Margarete and Alexander Mitscherlich, *Die Unfähigkeit zu trauern. Grundlagen kollektiven Verhaltens*. München 1967. A very interesting view on West German society and its military after World War II has been published by: Helmut R. Hammerich and Rudolf J. Schlaffer (eds.), *Militärische Aufbaugenerationen der Bundeswehr 1955 bis 1970. Ausgewählte Biografien*. München 2011.

**8** The challenging decisions, which had to be taken in this process, are well illustrated by: Alan S. Milward, *The Reconstruction of Western Europe 1945-51*. Berkeley 2006.

**9** On the US attitude towards Europe after World War II, see e.g.: Mark A. Stoler, George C. Marshall and the "Europe-First" Strategy 1939-1951. A Study in Diplomatic as well as Military History, in: *The Journal of Military History* 79 (April 2015), pp. 293-316.

**10** See e.g.: Wilfried Mausbach, *Zwischen Morgenthau und Marshall. Das wirtschaftspolitische Deutschlandkonzept der USA 1944-1947*. Düsseldorf 1996.

**11** An unexpected critical look at Eisenhower and his security policy can be found in: John Lewis Gaddis, *Strategies of Containment. A Critical Appraisal of Postwar American National Security*. New York 1982.

Today questions that quite often arise about these decisions made by the US administrations during the dawning of the Cold War include: Why were those measures taken, how were those aids implemented and related to each other, and last but not least, were these expensive actions really successful after all?

## Reasons why the European Recovery Program was implemented



*The European Recovery Program (Marshall Plan) lay the foundation for the recovery of the (West) European economy after World War II.*

At the end of World War II large parts of Europe were physically and economically ruined, a death toll of approximately more than 43 million had to be bemoaned, the survivors were exhausted and the reputation of Germany seemed to be shattered forever.<sup>12</sup>

The main issue for the Allies in the summer of 1945 was how to rebuild the war-ravaged regions of the Old World for it to be self-sufficient in the long run. And of course in this context the German case was a controversial point. The key question was how to deal with the population and the defeated nation as a whole. Different approaches were part of a shortlist.<sup>13</sup> Whatever the circumstances, the main goal of the US-administration was "to keep starvation, disease and civil unrest below such levels where they would pose a danger to the troops of occupation" as ordered in the Joint Chiefs of Staff Directive 1067 (JCS

1067).<sup>14</sup> If no other steps had been taken, this directive could have caused – as the deputy military governor of Germany, General Lucius D. Clay, enunciated it in retrospect – something like a Carthaginian peace for Germany.<sup>15</sup>

Not before late 1946 and largely after the so-called "Hungerwinter 1946/47"<sup>16</sup> the Occupation Forces in Germany realized that the German population had to be supplied with food and other necessities. Most notably for the simple reason as Lucius

<sup>12</sup> Concerning the end of World War II and the consequences for Germany, see e.g.: Konrad H. Jarausch, *After Hitler. Recivilizing Germans, 1945-1995*. Oxford 2008.

<sup>13</sup> The different plans of the Allies of how to deal with Germany are well described in: Mausbach, *Zwischen Morgenthau und Marshall*.

<sup>14</sup> The directive can be found either in the printed version of the: *Foreign Relations of the United States: Diplomatic Papers, 1945, European Advisory Commission, Austria, Germany, Volume III, Doc. 351* or on the Internet: <https://history.state.gov/historicaldocuments/frus1945v03/d351> (last access: March 12th, 2020).

<sup>15</sup> Lucius D. Clay, *Decision in Germany*. Westport/CT 1950, p. 19.

<sup>16</sup> About the Hungerwinter 1946/47 in Germany and its consequences see e.g.: Alexander Häusser and Gordian Maugg, *Hungerwinter. Deutschlands humanitäre Katastrophe 1946/47*. Bonn 2010.

D. Clay again illustrated it: "There is no choice between being a communist on 1,500 calories a day and a believer in democracy on 1000 calories. It is my sincere belief that our proposed ration allowance in Germany will not only defeat our objectives in middle Europe but will pave the road to a communist Germany."<sup>17</sup> Following this, officials in Washington realized that a starving German population would not be open to changes regarding the intended installation of democratic institutions.

After the dramatic post-war development not only in Germany but also in large parts of war-torn Europe, and amid a strong urging by the US media for action,<sup>18</sup> the government in Washington now responded quickly. Secretary of State George C. Marshall announced in his famous address to the graduating class of Harvard University on June 5th, 1947: "Our policy is not directed against any country, but against hunger, poverty, desperation and chaos. Any government that is willing to assist in recovery will find full co-operation on the part of the United States. Its purpose should be 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."<sup>19</sup> Marshall was deeply convinced that only economic stability would provide political stability in Europe. He offered aid, but the European countries had to organize the implementation of the program themselves.

## The Marshall Plan and its implications for West Germany

The well scripted speech and its sequel were the start of the European Recovery Program (ERP) to aid Western Europe, in which the United States provided over \$13 billion<sup>20</sup> (more than \$136 billion in 2018 US dollars)<sup>21</sup> in economic assistance and loans to help rebuild Western European economies. Later this concept was popularly called the "Marshall Plan" to honor its Inaugurator.<sup>22</sup> It was signed into a law by President Harry S. Truman on April 3rd, 1948 and benefited 17 European countries. France and Great Britain received by far the highest subsidies – more than 43 percent of the allocated funds. West Germany ultimately received almost \$1.4 billion, while the other former Axis Powers of Italy (\$1.5 billion) and Austria (\$680 million) to – as the American historian Michael J. Hogan expressed it in his important studies – "rebuild war-torn

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<sup>17</sup> As quoted in: Marc Trachtenberg, *A Constructed Peace. The Making of the European Settlement, 1945-1963*. Princeton 1999, p. 52.

<sup>18</sup> See e.g.: "How Much Famine is 'Policy Made'?" *The Saturday Evening Post* [Indianapolis/USA], Vol. 218, 47 (1946), p. 160.

<sup>19</sup> The original speech can be heard at: <https://www.marshallfoundation.org/marshall/the-marshall-plan/marshall-plan-speech/> (last access: November 26th, 2019). A balanced interpretation delivers: Ferald J. Bryan, George C. Marshall at Harvard. A Study of the Origins and Construction of the "Marshall Plan" Speech, in: *Presidential Studies Quarterly*, Vol. 21, No. 3 (Summer 1991), pp. 489-502.

<sup>20</sup> Due to the fact that the European Recovery Program was a complex undertaking, its funds were well diversified. Therefore, the aggregate of all invested funds is quite difficult to determine. In the end, most scholars estimate a grand total of over \$13 billion. Further reading e.g.: Michael J. Hogan, *The Marshall Plan. America, Britain, and the Reconstruction of Western Europe, 1947-1952*, Cambridge/UK 1987, here: p. 415.

<sup>21</sup> Due to the inflation calculators e.g.: <https://www.dollartimes.com/inflation/inflation.php?> (last access: March 12th, 2020).

<sup>22</sup> Even though Marshall was honored for the ERP, the original ideas and score of it as we know today were outlined by William L. Clayton and George F. Kennan.

regions, remove trade barriers, modernize industry, improve European prosperity, and prevent the spread of Communism."<sup>23</sup>

Until today it is the German master narrative that the Marshall Plan was the foundation of the "Wirtschaftswunder" which took place in the 1950s and furthermore to the solid economic and political development of the country to the present day.<sup>24</sup> The Plan was supposed to lead to capacity building among the European nations. With the allocated funds, their governments were asked to order needed goods from the United States. The American suppliers were paid in US dollars, which were credited against the appropriate European Recovery Program funds. The European recipient, however, did not receive the goods as a gift but had to pay for them usually on a credit in local currency. The government kept these payments as part of a special counterpart fund.<sup>25</sup> In West Germany, this was the so-called "Reconstruction Credit Institute" (KfW-Bank), which still exists today as the third largest German bank.<sup>26</sup> The counterpart money in turn could be used by the government for further investment projects and is still in use today – at least in Germany.<sup>27</sup> Five percent of the counterpart money had to be repaid to the United States to cover the administrative costs of the ERP. Additionally, West Germany had to repay a part of the German Reich funds and debts from the pre-war era.<sup>28</sup> However, this was an exemplary win-win-situation. The Federal Republic received the goods needed, funded at a reasonable price and the United States was able to utilize its industrial capacities to the full while reconstructing its new partners and allies.

## Arming and integrating West Germany into NATO

Being right at the borderline between East and West, the newly established superpowers – the United States as well the Soviet Union – were quickly seeking solutions to get their German zones involved in the rising dispute between the democratic and communistic blocs. Both sides used their inherent methods to succeed. While the US administration set up the Marshall Plan, the Soviets bolstered the authorities in East Berlin with political propaganda and military equipment for large

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<sup>23</sup> Hogan, The Marshall Plan.

<sup>24</sup> A still current and comprehensive account of the Marshall Plan and Germany can be found e.g. in: Hans-Jürgen Schröder (ed.), *Marshallplan und westdeutscher Wiederaufstieg. Positionen, Kontroversen*. Stuttgart 1990.

<sup>25</sup> The German counterpart funds are specified in: Armin Grünbacher, *Cold-War Economics. The Use of Marshall Plan Counterpart Funds in Germany, 1948-1960*, in: *Central European History* 45 (2012), pp. 697-716.

<sup>26</sup> Quite a few books on the KfW and its implications on the development of the (West) German economy have been published in the past. Concerning the period of time under review in this article see e.g.: Armin Grünbacher, *Reconstruction and Cold War in Germany. The Kreditanstalt für Wiederaufbau (1948-1961)*. Farnham 2004.

<sup>27</sup> The so-called "ERP Sondervermögen" is administered by the Federal Ministry for Economic Affairs and Energy and still used for economic development. In recent years it has also been used to bolster German foreign aid. The funds of the "ERP Sondervermögen" have an approximate volume of \$9 billion in 2018. See at: <https://www.bmwi.de/Redaktion/DE/Artikel/Mittelstand/erp-sondervermoegen.html> (last access: March 12th, 2020).

<sup>28</sup> Werner Abelshauser, *Deutsche Wirtschaftsgeschichte seit 1945*. Bonn 2004, pp. 145-147.



paramilitary forces,<sup>29</sup> despite the fact that in the immediate aftermath of World War II Germany was not allowed to establish a new military. The administration in Washington responded to the Soviet measures by – as newest historiographic insights argue – the push by the Pentagon for West German rearmament as early as 1948.<sup>30</sup> However, it took the perceptions of the Korean War to convince the Truman administration in toto to change its policy in this particular case. The apprehension grew quickly that some similar communist aggression could take place in Europe. Consequently, the US government by the Fall of 1950 decided to advocate strongly the armament of West Germany to substantially strengthen the defense of Western Europe.<sup>31</sup> Since the Federal Republic had no significant forces to protect its own territory and/or to support the allied occupation forces properly, plans were set up to provide the new state with its own army. US experts and NATO estimated that approximately 600,000 soldiers were needed to protect the West German territory with an 1,800 km long eastbound border. Correspondingly, a fairly large quantity of conventional military goods was needed on a short-term basis.<sup>32</sup>

Having said that, the former German armaments industry had changed its mode of production since the end of World War II to mainly civilian goods. For different reasons, industrial managers were not willing to invest in new equipment to produce military goods even though the US government offered funds to do so. Even more, the distinguished German machine tool-making capacity, which had been massively expanded before and during World War II, was still utilized by only 60 percent. However, the vast economic development, the experiences of the past 30 years, the trials against some of the leading entrepreneurs in the armaments industry, such as Krupp, and the absence of follow-up orders for military equipment led to a widespread unwillingness among West German industry to build up armament production capacities. This mindset only changed when an economic recession occurred in the Federal Republic in 1966/67.<sup>33</sup>

Therefore, other solutions had to be found. One of course was to import goods from other European countries such as France, Great Britain, Belgium or Switzerland. Nevertheless, those countries also used their industrial capacities to resolve their own wartime damage and for the reconstruction of their basic economies. According to this, most of the arms-producing companies in these countries had a limited interest in

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**29** About the East German paramilitary forces see: Torsten Diedrich and Rüdiger Wenzke, *Die getarnte Armee. Geschichte der Kasernierten Volkspolizei der DDR 1952 bis 1956*. Berlin 2001.

**30** See: Agilolf Kesselring, *Die Organisation Gehlen und die Neuformierung des Militärs in der Bundesrepublik*. Berlin 2017.

**31** See e.g.: Donald A. Carter, *Forging the shield; The U.S. Army in Europe, 1951-1962*. Washington D.C. 2015, pp. 171-174.

**32** Concerning the armament of West Germany see: Michael H. Creswell and Dieter H. Kollmer, *Power, Preferences, or Ideas? Explaining West Germany's Armaments Strategy, 1955–1972*, in: *Journal of Cold War Studies*, Vol. 15, No. 4 (Fall 2013), pp. 55-103.

**33** The fundamental problems concerning the arms procurement for the Bundeswehr is profoundly explained in: Dieter H. Kollmer, *Rüstungsgüterbeschaffung in der Aufbauphase der Bundeswehr. Der Schützenpanzer HS 30 als Fallbeispiel (1953 - 1961)*. Stuttgart 2002, pp. 23-130.

supporting West Germany's effort to provide its new armed forces with the necessary weapon systems.<sup>34</sup>

## The bail-out: Frank C. Nash and his commitment

The comprehensive success of the Marshall Plan led American and German politicians to the conclusion that something similar could help to solve the problem of equipping the newly established German troops. In the wake of the "Mutual Security Act of 1951"<sup>35</sup> which replaced the Marshall Plan and which was implemented by the US government to support European democracies against the spread of communism Assistant Secretary of Defense, Frank C. Nash, came up with the idea of supporting the build-up of West German armed forces with free major equipment for six army divisions, 24 air force squadrons and 18 mine sweepers worth about \$1.1 billion.<sup>36</sup> Astonishingly enough this was almost the same amount the Federal Republic received in Marshall Plan funds. The so-called "Nash-Commitment"<sup>37</sup> was first discussed in early 1953 and officially offered to Chancellor Adenauer on April 7th, 1953.<sup>38</sup> By then the administration in Washington wanted to enable their new ally to build up armed forces as quickly as possible. However, this program was meant to be a precondition for German military capacity building and of course an opportunity for a) the further use of the obsolete military material of the occupation forces still stationed in Europe and b) to capture a new and fast-growing market for the US arms industry.

The reaction of the German officials startled their American counterparts. Of course, the recipients were pleasantly surprised and agreed right away to this generous offer.<sup>39</sup> At the same time the build-up of a new army was quite costly. German bureaucrats calculated the costs of the first five years and identified a financial gap of approximately \$3 billion.<sup>40</sup> Such being the case and due to budget restraints, they tried

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<sup>34</sup> Ibid., pp. 73-90.

<sup>35</sup> On this important point, see Aurelius Morgner, *The American Foreign Aid Program. Costs, Accomplishments, Alternatives?* *The Review of Politics*, Vol. 29, No. 1 (January 1967), pp. 65-75, as well as the German view in: Helmut R. Hammerich, *Jeder für sich und Amerika gegen alle? Die Lastenteilung der NATO am Beispiel des Temporary Council Committee 1949 bis 1954*. München 2003.

<sup>36</sup> The exact list of the offered material can be found here: BArch MA, BW 1/95: BArch MA, BW 9/4319: Dienststelle Blank, II/PI/G 5. Betr.: Materielle Aussenhilfe der USA. Bonn, 30.04.1955. (Original source from the Federal Archive of the Federal Republic of Germany, Military Archive (BArch MA)).

<sup>37</sup> The "Nash-Commitment" is still a desideratum for a profound thesis. The only notable description of this US military aid can be found in: Dieter H. Kollmer, "Klotzen nicht kleckern!" *Die materielle Aufrüstung des Heeres von den Anfängen bis Ende der sechziger Jahre*, in: Helmut R. Hammerich, Dieter H. Kollmer, Martin Rink, Rudolf J. Schlaffer, *Das Heer 1950-1970. Konzeption, Organisation, Aufstellung*. München 2006, pp. 523-538.

<sup>38</sup> BArch MA, BW 9/209: Erklärung des Stellvertretenden Verteidigungsministers Nash an Bundeskanzler Adenauer, 07.04.1953.

<sup>39</sup> BArch MA, BW 9/4319: Dienststelle Blank, Abteilung V. Vermerk über die Besprechung zur Klärung mit der Außenhilfe zusammenhängenden Abnahmefragen in Koblenz am 1. August 1953. Koblenz, 04.04.1953.

<sup>40</sup> See e.g.: BArch MA, BW 1/95: Bundesministerium für Verteidigung, Abteilungsleiter X an die Herren Leiter der Abteilungen II, IV, V, VI, VII XI. Betr.: 1. Aussenhilfeverhandlungen, 2. Rüstungskäufe in Europa. Bonn, 29.02.1956.

to negotiate a far more comprehensive support by their new American allies.<sup>41</sup> The disappointment in Washington about these exaggerated German demands was bitter and the reaction immediate. The newly elected Eisenhower administration took a broader approach and asked for a fairer burden sharing between the United States and all of its European allies.<sup>42</sup> The West German officials still insisted on their position, referring to the financially burdened Federal Budget<sup>43</sup> and the problems of their industry to produce a fair amount of military material on time.<sup>44</sup> Moreover, they believed that the US-government would in the end back down due to the fact that Washington insisted on a swift and massive build-up of West German armed forces as well as the perceived time pressure of the American legislation based on budget restraints.<sup>45</sup> All governmental documentation, notations and correspondence of the involved West German authorities during this short period of time imply an arbitrary assumption that the US-officials had no other choice than to grant their demands. This somewhat conceited attitude had the sudden effect that the "Nash-Commitment" was finally cut back in February 1956 to the so-called "Nash-List". This condensed military aid contained only material worth 904 million US Dollars – a cut of about 18 percent. Moreover, Washington asked Bonn to pay for every single tank, aircraft and ship which was ordered in addition to the list.<sup>46</sup>

The German government was not only astonished by the reaction of its US-counterparts but full of disbelief. A few days after Washington's announcement, officials in the West German ministry of defense renewed their demand for another costless 2 billion US-tax dollars to build-up the Bundeswehr as fast as possible.<sup>47</sup> However, in the end Bonn had to accept the explicitly downscaled US-offer. This occurrence was a good example of one of many subsequent diplomatic misunderstandings between Germans and Americans due to different rhetorical approaches. German bluntness has not always been helpful in international negotiations. Providentially for the Adenauer administration, the whole process was top-secret since the US officials had no interest whatsoever in unveiling their plans with and support for the West Germans.<sup>48</sup> Still, West Germany received military materiel for roughly four army divisions, 18 air force

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<sup>41</sup> BArch MA, BW 9/4319: Dienststelle Blank, II/Pl/G4/5, Grobzusammenstellung des Bedarfs an Hauptgerät für die deutschen Streitkräfte. Bonn, 07.03.1955.

<sup>42</sup> BArch MA, BW 9/4319: Dienststelle Blank, II/Pl/G 4/Ltr., Vermerk über Vortrag bei Herrn Blank. Bonn 10.01.1955.

<sup>43</sup> BArch MA, BW 1/95, Bundesministerium der Finanzen, An den Bundesminister des Auswärtigen. Betr.: Vorbereitung der Verhandlung über die Gewährung zusätzlicher Aussenhilfe. Bonn, 30.08.1955.

<sup>44</sup> BArch MA, BW 1/95, Bundesministerium der Finanzen, Geh II C -210/55: An den Herrn Staatssekretär des Bundeskanzleramtes. Anlage zu den beiliegenden Dokumenten. Bonn, 26.09.1955.

<sup>45</sup> PA/AA, Ref. 211, B 14-9: Botschaft Washington, An den Bundesminister für Wirtschaftliche Zusammenarbeit. Betr.: Die militärische Hilfe im Auslandshilfe-Programm fuer 1956. 26.05.1955.

<sup>46</sup> BArch MA, BW 2/2419, Headquarters APG, Mehlemer Aue an den Bundesminister der Verteidigung, 28.12.1955.

<sup>47</sup> BArch MA, BW 1/95: Bundesministerium für Verteidigung, Abteilungsleiter X an die Herren Leiter der Abteilungen II, IV, V, VI, VII, XI. Betr.: 1. Aussenhilfverhandlungen, 2. Rüstungskäufe in Europa. Bonn, 29.02.1956.

<sup>48</sup> BArch MA, BW 9/4319: Advance Planning Group Military Assistance Division Headquarters, US EUCOM to Colonel a.D. Kurt Fett, Chief II/Pl, Dienststelle Blank. Mehlemer Aue, Bad Godesberg, 08.02.1955.



squadrons and six destroyers with supporting vessels.<sup>49</sup> Those arms were the foundation of the resurrection of the armed forces needed to bolster the NATO strategy of deterrence along the borders between the Eastern and Western blocs.

## **Conclusion: Marshall Plan and Nash-Commitment – a short comparison**

What were the major implications of the Marshall Plan and the Nash-List? First of all, both served a dual purpose: to benefit US industry due to the fact that it needed markets to sell its surplus production in the aftermath of World War II, and West German resurgence after the Third Reich and wartime destruction. With both measures, the United States government was able to stabilize the political and economic situation in Western Europe while Europe could resurrect itself from the ashes far ahead of schedule. During the Second World War, Washington encouraged its domestic industry to build up large production capacities that now lay idle. Both concurrent security and economic policy measures offered the chance for trade and industry to utilize their capacities to the full and export vast amounts of consumer and producer goods to West Germany financed by Marshall Plan funds. The Federal Republic used the subsidies not only to buy American commodities but moreover to rebuild its own industry to a high level and subsequently undergo an astonishing economic recovery. During the Korean War, the US arms industry developed new armory for its armed forces. Subsequently the Nash-List facilitated the US Occupation Forces to renew the majority of their equipment while equipping a new ally with the used material.

The Marshall Plan and the Nash-List bolstered Germany's economic and military build-up in the 1950s. The financial support worth about \$2.3 billion was partly donated by the US government as a capacity-building strategy for all European countries which joined the Western bloc. Exceptions to the rule were Austria and Sweden – both stayed somewhat neutral during the Cold War. The US economic and military aid was not altruistic as it both assisted American industry in gaining a foothold in Germany not only as a door opener for major companies in a foreseeably new and profitable market but also for lucrative procurement programs for the future re-equipping of the Bundeswehr. Moreover, morally it obliged Germany to look to the United States since it helped Germany to obtain its position in the Western world.

In retrospect, American capacity building seemed to be designed as a win-win strategy that helped ensure the resurrection of both the New West German State and the Bundeswehr after the collapse of the Third Reich.

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<sup>49</sup> BArch MA, BH 1/8669, Bundesministerium für Verteidigung Abt. V, C4, Betr.: Aufteilung des Nash Materials gem. Nash-Liste. Köln, 06.06.1956.

## **Zitierempfehlung**

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