

EUROPEAN RECOVERY PROGRAM

Interview With

ALEXANDER, BARON VON SUSSKIND-SCHWENDI

Bonn, Germany

May 12, 1964

By Philip C. Brooks, Director

Harry S. Truman Library

THE HARRY S. TRUMAN LIBRARY

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NOTES

BARON VON SUSSKIND

My interview with Baron von Susskind took place in his office in the German State Treasury department Turmstrasse 48, in Bad Godesberg. Baron von Susskind had with him Bank Director Felix Graetschel, his colleague, and a lady assistant. Baron von Susskind joined the Reich Ministry of Economics at Berlin in 1932 and served in the government from then on except for military service in World War II. He worked with the secretariat of the League of Nations in preparation for the World Economic Conference at London in 1933. After World War II he was an economic representative in Bonn of three of the laender, which were states in the French occupation zone. He was later deputy chief of the German mission to the OEEC in Paris. For the last several years he has been associated with the Federal Treasury department.

My interview with Baron von Susskind was arranged by the American Embassy at Bonn, and I did not have any knowledge of him before that time.

EUROPEAN RECOVERY PROGRAM INTERVIEW TRANSCRIPTS

NOTICE

These are transcripts of tape recorded statements made for the Harry S. Truman Library. Drafts of the transcripts were edited by the interviewees but they made only minor emendations; therefore, the reader should remember that these are essentially transcripts of the spoken, rather than the written, word.

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European Recovery Program Interview
with
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Bonn, Germany
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DR. BROOKS: May I ask you, Herr von Susskind, what your position was in 1947? I understand you were in the Marshall Plan ministry.

BARON VON SUSSKIND-SCHWENDI: The Marshall Plan ministry was only founded after the foundation of the German Federal Republic. At this time, I was still in a private firm, in 1947. Then in 1948, I was the representative of the French occupied laender in Frankfort, and my task was to handle relations with the new Bizonal administration.

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We were preparing Marshall Plan proposals in 1948 for the French occupied zone, for the three different laender of this zone. The Marshall Plan ministry was founded in the autumn of 1949 after the first Federal government was formed and then it was vice-chancellor Bluecher who was put in charge of this ministry. He died, unfortunately, in 1960.

BROOKS: I would like to ask you some general questions about your impressions when you were still in the private firm. What was that firm, sir?

VON SUSSKIND-SCHWENDI: That was the firm of Henshel. I was at the firm's office. But, you know, at this time, all was in ruins. Berlin especially was very poor and we all thought we would have to starve. So we were very glad

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when we heard in December of 1945, the declaration of the United States Government that it was not the intention to let the German people starve, but that they wanted to see that we were fed and that we had as many calories as normal men. Then the calories, of course, were not even 2000, but were only 1550. So we were all very, very glad when we heard that, and that gave new hope. So the German people went to work at this time, and tried to do all they could to mend the ruins and just to have a roof over their heads and a bed to sleep in. At this time, still thousands and thousands were living in caves and in huts, and life was very, very poor, unthinkable poor. Now, we are far away from that, but sometimes when we recall that, we know that it was mostly by the help of the United States Government and also the British Government, that things

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were improving from day to day.

BROOKS: This was December 1945 that you're speaking of.

VON SUSSKIND-SCHWENDI: Yes, 1945. At this time, also great help was received in Germany by the actions of the charity organizations of the United States, that was CRALOG and CARE. Many parcels came to many people, to old people, to children, and such. Later, in 1948, we had some great difficulties with Berlin, when the Russians stopped the transportation by rail, and then an air bridge was formed. At this time, it was mostly United States food, which was flown into Berlin.

BROOKS: What we called the "air lift." I wonder if my understanding is correct, that up to 1947, this was largely a relief operation, and that the beginning of the reconstruction of

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German economy didn't really come about until 1947 to 1949, is that right?

VON SUSSKIND-SCHWENDI: It really started, one might say, in 1948, after we had the money change -- what we call the currency reform -- in June 1948.

BROOKS: I've also understood that until the Marshall speech of June 1947, the German people were not really confident that the Americans and the British and others were willing to see German industry revived, and that in this way the Marshall Plan was a turning point. Is that correct?

VON SUSSKIND-SCHWENDI: Yes, that is so. Because, before that we were informed that there was a finance minister of the United States, Mr. Morgenthau, who said that it would be the best thing to make an agricultural country of Germany, and to stop our industry, and if

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there were too much population to have it transferred to other countries.

BROOKS: I talked to a man in Greece a couple of weeks ago and asked him about their attitude on German recovery, and he said, "History will take its course. Germany has always been an industrial nation, it is an industrial nation, it always will be an industrial nation."

VON SUSSKIND-SCHWENDI: The Marshall speech in June '47, I think, really was a turning point. Then we were accepted into the company of the other European countries. First, our different zones were admitted to the Paris organization of the OEEC.

BROOKS: You had representatives in Paris in the summer of 1947, did you not?

VON SUSSKIND-SCHWENDI: Yes, the representatives were

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the high commissioners, who were accompanied by German experts. Then, after the foundation of the Federal Republic, our first representation in a foreign country was our delegation in Paris which was dependent upon this ministry, the Marshall Plan ministry. And, very soon after that we had a representation in Washington, which we called our ECA mission.

BROOKS: Was that when Ambassador Krekeler went to Washington?

VON SUSSKIND-SCHWENDI: No, that was before, I think. I am reminded that with the shipyards we had our first difficulties, because we were not allowed to build bigger ships. We were only allowed to build ships, I think, up to 750 tons first, and only to repair ships. It was first thought that Germany wouldn't need any big shipyards again.

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BROOKS: One major element of the Marshall speech was to encourage the European countries to develop their own program and to work together among themselves. Did the Germans at this time, think this was possible or did this sound...

VON SUSSKIND-SCHWENDI: Oh, yes, we were very pleased at this suggestion of European cooperation, because we thought that this was the only possibility for us to recover. We had had very bad experiences with the national policy, and we thought that now a European policy would be the best thing for us. Perhaps that's why we are very European minded. We are still, and we are not nationalists at all. This is something, for instance, that the French can't understand. They can't understand that we don't want to have an army of ourselves, that we are quite happy to have an army of Europe only.

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BROOKS: Well, I understood, that for example, there was some dispute as to the Ruhr coal mines, as to whether they should be developed on a national basis or international, or how they should be.

VON SUSSKIND-SCHWENDI: Yes, you see, we were quite willing to agree to the plan put forward by Mr. Schumann, to integrate the Ruhr into Europe, and to make a common coal mining and steel industry. I think that's why this Schumann scheme was founded, and worked. Our industry and coal mines were bigger than the French.

BROOKS: And it seems to be continuing to work. The process of internationalization has gone farther in coal and steel than anything else, has it not?

VON SUSSKIND-SCHWENDI: Yes.

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BROOKS: What was the German attitude toward the Russians at this time? The Russians in 1947 were invited to join in the Marshall Plan. They chose not to do it. Was this a good thing?

VON SUSSKIND-SCHWENDI: Yes, it was a great disappointment when we found that Germany really was divided into two parts. After the conference of the year, 1945, at Potsdam, we still had the hope that the Allies would agree to build a new Germany, and to let the Germans all come together again. It was after the Russians declared that they did not want to participate in the Marshall Plan that we saw that things were developing differently in the two parts of Germany. That was clear after the currency reform in 1948, when the currency reform was only applied to the Western side.

BROOKS: Would you say then, that the cold war really

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solidified in 1948?

VON SUSSKIND-SCHWENDI: Yes, and very soon in 1948, came this stopping of the transport possibilities to Berlin. That was really the beginning of the separation of the two Germanys.

BROOKS: Did you feel that in such a thing as the continuation of wartime food rationing, that the Allied governments were understanding and wise?

VON SUSSKIND-SCHWENDI: Yes, very wise. We very strongly acknowledged that.

BROOKS: Did you feel at that time, or do you think the Germans in general felt at that time that the Marshall Plan was going to lead to a common market or European, political, or economic union?

VON SUSSKIND-SCHWENDI: Yes, that's what we thought.

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Perhaps we were really too enthusiastic on this point, because we at this time thought that the development of a European economy would be much quicker than it proved.

BROOKS: But, the Germans generally favored this kind of union?

VON SUSSKIND-SCHWENDI: Yes, perhaps at this time, we were more prepared to give in on our national interests than we are now. That's because always, you see, a very poor man is much more prepared to share everything he has, when he has very little. When he has gained more, he thinks he might keep something for himself.

BROOKS: When do you think Germany really got on its feet, economically? I believe the statistics show that about 1950, the exports and imports were up, and so forth.

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VON SUSSKIND-SCHWENDI: I think in 1952-53. The years of the quickest development, as I remember were 1952 to 1956.

BROOKS: But the groundwork was laid in the Marshall Plan period? Do you have specific reactions or impressions of some of the American leaders that were involved in the Marshall Plan, the people that you met?

VON SUSSKIND-SCHWENDI: Yes, we met Mr. Hoffman, we met Mr. Harriman in Paris, and Mr. Acheson came.

BROOKS: How early were you in Paris?

VON SUSSKIND-SCHWENDI: I was in Paris from 1949. I was still here in ministry, but I traveled to Paris often. But from the beginning of 1951, I was there permanently until 1957.

A great friend of ours was already, when she

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was with the military government at Frankfurt, Miss Ethel Dietrich. She was afterwards with the United States mission at the OEEC in Paris for many years.

BROOKS: Did you feel that any one country was too dominant, especially in the conferences in 1947? Did you think that the Americans, or the British, or the French were taking too much leadership?

VON SUSSKIND-SCHWENDI: No. You know that a big role of leadership was given to the French when they elected Mr. Marjolin to be Secretary General. He was a very nice young man.

We think that Mr. Marjolin and the Belgian Baron Snoy, were the builders of Europe: They tried to build it, and when they thought that wasn't possible in OEEC they turned to the European Economic Community what we now call

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the Common Market. Mr. Marjolin left the OEEC because he saw that it was not the right instrument as he had hoped it might be.

BROOKS: There wasn't sufficient cooperation, or union?

VON SUSSKIND-SCHWENDI: There wasn't sufficient cooperation and union with all the seventeen countries, and therefore, he favored the six. That was a disappointment to many of the other people, of course. It was very difficult for the British, and the Scandinavian states and our present chancellor, Mr. Erhard. He was, at the beginning, also trying to revive the OEEC, to have this free trading union.

BROOKS: But the OEEC didn't go far enough, I take it, in your view.

VON SUSSKIND-SCHWENDI: It wasn't possible, I think,

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to get together the French and the British interests.

BROOKS: Do you think that this is because the British tended towards socialistic control more than the French?

VON SUSSKIND-SCHWENDI: No, I don't think so. It was more the question of the British Commonwealth and the difficulties with their imports and their preferences.

BROOKS: Of course, that continued down to the time that the British were refused admission to the Common Market.

VON SUSSKIND-SCHWENDI: Yes, that's always the same problem.

BROOKS: Was there a problem here, Herr von Susskind, about whether German industry should be

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socialistic, state controlled, or whether there should be more encouragement to private industry?

VON SUSSKIND-SCHWENDI: No, that I think wasn't so very much a question of this international body, because we had different systems in the OEEC countries. The French, you know, preferred at this time more of the state run industry. They nationalized their coal industry, a big part of their steel industry, and, especially, the bank system was nationalized.

BROOKS: Well, I've read some things that made me feel that perhaps people were worried lest the Marshall Plan would somehow require government control or socialistic control, rather than more stimulus to private industry.

VON SUSSKIND-SCHWENDI: Yes, of course, first, there was planning in all countries and that was a

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system-state controlled economy. The then German Minister of Economy, Mr. Erhard, opposed it. He was more for freer enterprise. He had found that this system worked very well in Germany and that it wasn't always necessary to have state control. Yet the French had always had a plan and were more for the other concept.

BROOKS: Well, I wondered if the Marshall Plan, itself, accentuated this problem.

VON SUSSKIND-SCHWENDI: No, because at this time we saw we had to plan, we had to distribute the means, and so we had to transplant.

BROOKS: I see. Well, are there any other major points that you think should be made in this connection?

VON SUSSKIND-SCHWENDI: Well, you asked what the German feelings were at this time toward the

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statesmen of other countries, for instance, Bidault. I must say that at this time, the German people were very suspicious that the French would not like to have a new German republic and, that also, Mr. Bidault wanted a permanent division of Germany.

BROOKS: He was still pretty nationalistic, wasn't he?

VON SUSSKIND-SCHWENDI: Yes, he was, and then he was trying to work together with the Russians, too. Only when Mr. Schumann took over the Foreign Office in Paris did we see that there were also French people who really wanted to follow Mr. Churchill's appeal to have a European union. That was very well accepted by the German population, and we were all prepared to give up our long enmity to France and to make good friends.

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BROOKS: I don't want just to be, as we say, "fishing for compliments," but what did the German people think of President Truman?

VON SUSSKIND-SCHWENDI: They began to be very fond of President Truman. They had been rather upset against his predecessor, President Roosevelt, because you know our propaganda during the war always tried to suggest to the German people that it was President Roosevelt's government that was responsible for at least a part of the war. So, when we found out that Mr. Truman was going to help the German people, we were very enthusiastic about that, very glad. And, as I told you in 1945 and 1946, when the United States Government and the United States citizens started all the action with parcels and so on to help, we changed our views very much.

BROOKS: Well, we hope that the materials that we

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have in our Library will be important in telling of the story of the postwar world. So it's highly important to find out what the Germans were thinking. This was Governor Harriman's idea when we set up this project, so we are very glad to have any opinions from you that would give historians a real understanding of the German view.

VON SUSSKIND-SCHWENDI: Unfortunately, time is passing so fast that it is very difficult after only seventeen years to tell really what the feelings were.

I want to mention with great gratitude the cooperation of the leaders of the United States ECA missions to Bonn; they were Mr. Harris, Mr. Tuthill, and Mr. Tasca.

BROOKS: Thank you very much.

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