

Comments on Interview
with
GERARD BAUER

During and after the years of the Truman administration, Bauer was Counsellor of Legation in Charge of Economic Affairs, Swiss Legation, Paris, 1945-51; Delegate of the Swiss Federal Council at OEEC since 1949 and Swiss Representative at ECSC, 1951-56, with rank of Minister Plenipotentiary; President, Executive Committee of OEEC, 1948-56; President, Swiss Federation of Watch Manufacturers, 1958-.

Bienne, Switzerland
July 10, 1970
by Theodore A. Wilson, University of Kansas

The Harry S. Truman Library
Independence, Missouri
February, 1982

Comments On Interview
with
GERARD BAYER

Bienne, Switzerland
July 10, 1970
by Theodore A. Wilson, University of Kansas

[1]

Today, July 10, 1970, I went up to Bienne, Switzerland, from Geneva, to interview Messr. Gerard Bauer, who is presently president of the major Swiss watch-making association. He was for a time Switzerland's representative to the OEEC and played a very important role in it. His name was recommended to me by some people, one of whom was Ambassador Von Sydow.

He very kindly agreed to see me on short notice. I sent from London a copy of the general questions. Thinking that this would be the usual interview, I arrived in Bienne, a beautiful town, the center of the watch-making industry, the traditional center. I went to his office, a modern building. After a short wait

[2]

he came out with two other persons, and proposed that we have lunch. He said that he had been very impressed by my questions and wanted time to attempt to answer them, and what he wished to do would be to talk about the subject at lunch, but that he would prefer not to have it taped.

He promised to answer all, or as many of the questions as he could in writing and send them to me, hopefully by the first of September. I naturally agreed with what he said since he was definite. Thus, we went to a bar about a block away, to one of the prominent local hotels, and

had a very pleasant lunch -- gin and tonics, filet of sole, and sauce meuniere, saffron rice, a salad malay and an excellent wine. I had, naturally, gruyere cheese as a dessert.

I'll try to recapitulate some of the things that Bauer said. He talked for about 40 minutes, describing in turn his role and his appreciation of the OEEC experience, that is, the Marshall plan experience.

He said that the important thing which knowledgeable Europeans recognized at the end of the Second World War was that they must not repeat the mistakes made

[3]

after the First World War. He urged that we, in a preface to the book, try to deal with this situation which existed between the wars. He went into some detail about the problems of the cutting off of the Danubian basin, the chaos in Central Europe and the weakening effect this had had, and he described the failure of the League of Nations.

He said that the Marshall plan came at a crucial time because Europeans -- though some knew they had to -- were not prepared to cooperate. An external stimulus was needed. He said that was human nature, and the United States provided the external stimulus. It was a great conception and he spoke of the Marshall plan in glowing terms.

For Switzerland's part, he referred to an instruction by the Federal Parliament of the Council of Ministers in October and November 1947, which stated Switzerland's position. He said many Swiss were reluctant to join because they didn't see much necessity for it. But he (and others have said this also) pushed and pushed until the Swiss Government did take part. Then he said it was a very useful experience for Switzerland, because

[4]

Switzerland's only foreseeable future lay with liberalization -- of trade and of payments. All these things were associated with OEEC in its days of glory.

He said that the United States was hard, but it could be dealt with. He gave the example of the effort of the Americans (and he used Averell Harriman's name) over a space of two or three months, to get Switzerland to sign a bilateral agreement, as all the other countries had. The Swiss adamantly refused to sign. He said that there were some people in Switzerland who took this as an example of how the Americans would dictate everything. But finally no agreement was signed, and amicable relations continued, nevertheless.

He is very much a supporter of the OEEC and is disappointed in that it did not develop as it might have. He stated that one of the major problems was that the OEEC fell victim to its own success; that in '51 and '52 the British argued that the OEEC and the Marshall plan had accomplished European recovery, and thus there was no need for such instruments as the European Payments Union, the OEEC itself, and so forth.

[5]

He said that the success was much more difficult to deal with than the urgent situation of '48 and '49, which had stimulated cooperation.

He made some rather caustic comments about Jean Monnet, saying that Monnet was a man of very strong political theories and not allied to practical considerations. He contrasted Monnet, whom he said was impossible to work with because of his pronounced views about the possibilities for political union, with Rene Mayer, his successor. Mayer, he said, was a politician, a flexible man and much easier to work with.

He took, of course, the staged approach, the cautious approach to European union. On the matter of East-West trade he said that there were some difficulty, but that this was settled without a great crisis.

Then on the OEEC, the outside, he said that during the Korean war there was considerable pressure. Some did establish a quota system on the basis of then existing trade, and agreeing then not to open any new trade channels with the East bloc.

I'm not going through this as well as I had hoped,

[6]

partly, I suppose, because I'm thinking that Bauer will go over much of this ground in his written responses. If he does not, I will try to go over this tape and recapture perhaps better what he did say.

I did review this tape this evening and a couple other things I remember. I raised several questions with him; one was the business of a decision to create a new organization, rather than using the ECA. He was very strongly anti-Communist. He said that the Russians would not cooperate; and that it was not possible to use an organization such as the ECA to meet the very hard line of the Russians. He mentioned in this connection the negotiations he had conducted with Hungary in 1956, a frustrating business. He noted also the present situation in which the Swiss have licensed the Russians to manufacture Swiss watch movements.

I also raised the question of the problem of efficiency, and tried to get his reaction to the idea that the Marshall plan directly or indirectly encouraged the development of inefficient national industries. He said that there was great concern in Switzerland about this possibility, but it did not occur because of other

[7]

developments. It would have developed, had there not occurred this liberalization of trade which insured that competition would exist across the borders. He had a very strong position on this, and said that that was one of the key achievements of the Marshall plan and the OEEC.

He described in considerable detail the concern about the maintenance of the Swiss neutrality while the country cooperated with one bloc, the Western bloc. But he said this cooperation was inevitable since the Western bloc was trying to achieve recovery. The Swiss decided that Switzerland would not be under outside control if they participated in the OEEC. They decided

that the slogan of Max Petite Pierre, the Foreign Minister, I think, at that time, of “neutrality and cooperation,” or of “neutrality et cooperation,” designated Swiss policy and that it worked out quite well.

[8]

INDEX

Bauer, Gerard, 1-2, 6
Bienne, Switzerland, 1

Danube basin, 3

Economic Cooperation Administration, 6
European Payments Union, 4

Geneva, Switzerland, 1

Harriman, Averell, 4
Hungary, 6

Korean War, 5

League of Nations, 3
London, England, 1

Marshall plan, 2, 3, 6, 7
Mayer, Rene, 5
Monnet, Jean, 5

Organization for European Economic Cooperation, 1, 2, 4

Pierre, Max Petite, 7

Switzerland, 3-4, 6-7
 Federal Parliament of the Council of Ministers, 3

Union of Soviet Socialist Republics, 6

Von Sydow, Eric, 1

Wilson, Theodore A., and Gerard Bauer, 1-2