

Oral History Interview

with

DR. ISADOR LUBIN

Economist and statistician. Commissioner of Labor Statistics, U.S. Dept. of Labor, 1933-46; U.S. associate representative (with rank of U.S. Minister) on the Allied Reparations Commission at Moscow, 1945; U.S. representative to the Economic and Employment Commission, U.N. Economic and Social Council, 1946-49; special assistant to the Asst. Secretary of State, 1949-50; and U.S. representative (with rank of Minister), U.N. Economic and Social Council, 1950-53.

New York, New York

June 26, 1974

by Richard D. McKinzie, Harry S. Truman Library

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NOTICE

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RICHARD D. MCKINZIE: Doctor Lubin, how did you become involved with the Harry S. Truman administration? You have one career as an academician and an economist, and I think many scholars would be interested to know how you happen to make the decision.

ISADOR LUBIN: I knew the President when he was Vice President. I met him the morning after the election. He was sitting in the hall at the west wing of the White House and I had my office in the west wing. I was then working with Roosevelt and I stayed with him until he died.

We just passed the time of day for a minute

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or two and he seemed a bit nervous. I think he was waiting to see Harry Hopkins to try and get a lead on what his job was going to be.

My first real contact with President Truman was in 1945, after a trip to Europe. We had taken Stohlberg and Aachen, the only German territory we had, in the late spring or early summer.* I happened to be in Paris and I called on General [Dwight D.] Eisenhower and told him I wanted to see something of an occupied territory. That is, how we operated in such areas.

He replied, "I don't want any visiting firemen up there, but if you'll undertake to do a job for me I'll let you go." An arrangement was made whereby I went up there. I sat in court at several trials. One of the things that a German girl could be guilty of was associating with an American soldier, and things of that kind. When I came back I gave General Eisenhower a report on the general situation, that is, some of the problems that they were having in running an occupied territory.

*These two cities were actually captured by Allied forces in the fall of 1944.

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While I was in the occupied territory I got a cable from the President [Roosevelt]. I don't know where it was sent from. It was sent during the conference at Yalta with Stalin. In the cable he appointed me head of the Reparations Commission to meet in Moscow. I cabled back and said that I'd rather not have the appointment, that I have a daughter who has no mother, her mother died in childbirth, and secondly my health was not too good, being a diabetic, and I didn't want to go to Moscow and be away from my daughter and at the same time worry about my health.

The next thing I knew was that I got a reply cable from Hopkins telling me to imagine myself ten years younger and subject to draft, and that he was arranging with Averell Harriman, who was our Ambassador to Moscow, to have the necessary drugs and medical facilities available for me. Under those conditions I could not say "No." And so I cabled back to Washington and said, "Okay." I came back to Washington a couple of weeks later and

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proceeded to develop a staff, collect information on reparations, and build up the machinery that was necessary to do the job.

A couple of weeks later, Truman was already President and sent for me. He said that one of the most important problems facing the U.S, was the handling of reparations. How we handled reparations would determine the future of Germany and a good part of Europe. He felt, therefore, that the man who headed the reparations delegation should be able to throw his weight around. He felt that he would like to have somebody of Cabinet rank as head of the delegation. I told him about the staff that I had developed and the materials I had collected. He said, "Well, I want you

to go ahead, go with them." And I hemmed and hawed. By the way, he did name the person he wanted to send; it was the then Postmaster General Frank C. Walker.

The reason why he wanted to name him was the importance of the job to be done and Walker had cabinet rank. So I said, "Mr. President,

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there's a war still on, you are Commander in Chief and I obey your orders." He was very, very grateful; thanked me and asked me to get in touch with Walker.

Walker and I had a long talk and Sam Rosenman's name was mentioned as General Counsel to the Reparations Commission. It looked very much as if my staff and the materials I collected would be the basis of negotiations with the U.S.S.R., that we should go ahead as we had planned and that I would be number two instead of number one in the delegation.

About three weeks later, I got a telephone call saying that the President wanted to see me. I came in, and he said that he had a problem; that the gentleman on whom he had figured as being head of the delegation was getting cold feet because of the fact that the Russians had been talking about using German labor to rebuild the destroyed parts of the U.S.S.R., which in effect was equivalent to slave labor, and he just would not have any-

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thing to do with any organization that considered such a course.

Consequently, he had decided to have somebody else rather than Walker. I asked him who it was going to be and he said it was Ed Pauley. Well, I knew Ed, he had been treasurer of the Democratic Committee. I had met him in Washington at Miss Perkins' house. I said to the President, "You are still Commander in Chief. If that's what you want, I'll be glad to do it." Then he got up, shook my hand, opened the drawer of the desk and took out a bottle of bourbon and he said, "Let's celebrate."

I had a drink with him, and I said, "Mr. President, I still have a bottle of whiskey that was distilled before prohibition. It was medical whiskey and I'd like to give it to you as a present before I go."

Later on I brought it in to him. He looked at me and thanked me and said, "Would you object if I gave this to Mama? She always takes a teaspoonful before dinner." The

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incident gives you the picture of the man himself.

MCKINZIE: Did President Truman seem to have a clear grasp of the problems of postwar reparations?

LUBIN: No. He had no conception of the problems that we would run across with the Russians. So, we had our bourbon and I said goodbye and went back to my office, got hold of Pauley, discussed how we would set this thing up. Pauley immediately told me that he was going to hire four or five other people to join him. They were all oil men with the exception of the president of the University of California. I later found out that the real difficulty had been that the boys behind the President wanted to vacate the office of Postmaster General so that [Robert E.] Hannegan from St. Louis could get the job. They were manipulating the situation so they could get rid of the current Postmaster General and get Hannegan in. I knew nothing of the politics of it at that time.

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I learned all that a lot later. At the same time, my agreeing to withdraw made it possible to give a job to Pauley who wanted recognition for the good job he had done during the election and getting Truman nominated as Vice President.

Several weeks later, about a month later, when we were ready to leave for Moscow, I dropped in to visit the President. At that time he was living across the street at the Blair House. I went there to say goodbye to him. He expressed his thanks for what I was doing for him. He walked out of the main door to the top of the steps that go up to the Blair House, shook my hand, and said, "I'll never forget what you've done for me." And he meant that: After that, anytime I wanted to see him, I could just call [Matthew J.] Connelly and say I wanted to see the President and there was no trouble at all in getting an appointment.

As I have said, Pauley added various people to the staff. We left shortly thereafter and went on to Paris. In Paris we broke up to visit

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the various parts of Germany to get some conception of what would be involved in reparations. Interestingly enough, Pauley's people were interested in gasoline and oil. And there was one particular gasoline plant that they wanted to bring to the United States that had some technological significance to them as oil people. On our return we visited a good deal around Berlin, and other nearby places and then went on to Moscow.

The mission to Moscow was a complete failure. We got nowhere at all. The Russians had already begun to take their reparations by removing stuff from the occupied area, and in Potsdam, for example, at the railroad siding, you could see freight cars loaded up with all kinds of stuff. You could see factories with the walls broken out so they could get the machinery out; and they really made a good start on reparations before the commission ever met.

We were in Moscow about four weeks and

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then the Potsdam meeting was held. We went on to Potsdam and I saw the President there for only a minute or two. Jimmy Byrnes was running his life for him at the time. We decided that we weren't getting anywhere and agreed that we would recommend to Jimmy Byrnes that the Russians take for themselves anything they wanted in the occupied area--the area occupied by them--and that we would take any reparations we might want from the area that we occupied. We took nothing, really, from Germany in reparations, but the Russians took all of East Germany in effect.

MCKINZIE: Well, Mr. Lubin, did the Russians ever say anything to you about what they called intellectual reparations, that there were patents and even scientific personnel that did come to the United States?

LUBIN: No.

When we arrived at Potsdam we made our suggestion to Byrnes and the Russians were

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told, "This is it." They were terribly shocked when they were told that they would have to get their reparations from the area they occupied. There was a lot they wanted to get out of West Germany. They were told that this is where we stand, and we went back to Moscow at the end of the Potsdam meeting to get our things together so that we could go on home.

Our attitude was just the reverse of the Russians. We wanted to help rebuild Germany as fast as we could, economically. They wanted to drain everything they could out of Germany.

MCKINZIE: How wide was that view about rebuilding Germany? Mr. Morgenthau's plan of pastoralization had not been completely repudiated at that point, had it?

LUBIN: No, it hadn't been. As a matter of fact, one of the things that bothered me was that I felt we were overdoing the economic redevelopment of Germany. I happened to be in one town where there was a big coal mine, and was informed

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that the manager of the mine was a Nazi. He had managed it before the war. When talking about this Nazi to our Army officers in charge, they said, "Goddamn it, we've got to have coal. Now, you're not going to bring it from the United States. We're going to have to get it here, and we're going to get it as fast as we can, and we'll keep our eye on this guy."

But the general feeling during the latter part of '45, particularly, was, "Let's get them on their feet as fast as we can, otherwise, we're going to have to support them; we're going to have to build them up." That meant instead of getting reparations out of Germany, we had to make contributions to the German economy.

Now, I think part of that was due to the attitude of the Russians. As far as they were concerned they were going to get any damn thing they could get out of Germany; and we felt that they were overdoing it.

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MCKINZIE: I want to fully understand. The U.S. position on reparations was in part influenced by the realization that Germany was going to be an economic, as well as a military, burden in the future if it weren't rebuilt?

LUBIN: Yes.

MCKINZIE: Did the refugee problem at all enter into your deliberations--wherein great thousands of people came into West Germany in the summer and fall of 1945?

LUBIN: That wasn't discussed at all.

So we returned to Moscow from Potsdam, packed up our papers and clothes, and went home. This was in July.

One thing that I distinctly remember about the entire reparations experience was a remark made by a member of our commission who had been appointed by Pauley. As we got on the plane to go home he boastfully said to me, "Lube, the only thing that I have here, in this suit-

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case, is one: suit. Everything else I brought here, I've sold."

We had been permitted to bring anything in because we had diplomatic passports. We paid no duties on anything we brought in. There was a black market for everything in Moscow; and this chap had sold virtually everything he had brought into the U.S.S.R. except the clothes on his back.

At the Potsdam meeting, some of the boys on our staff sold watches to the Russian soldiers and got paid in American currency. The Russians just went wild over any kind of a watch. The value of the dollar meant nothing to them; they were soldiers stationed in a part of the world where there was nothing available at the time.

But to me it was scandalous to see responsible people selling clothing which they brought in as diplomats, or selling watches.

When we got home I wrote a report on what had happened and where we stood. Most of the

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work on that report was done by Tommy Wilson on our staff.

I brought the report into the President and after a few minutes of talk with him, he said, "You know, we also have to send somebody over to Japan now, and get reparations out of Japan. And I want you to go with Mr. Pauley to Japan."

I told him I was terribly sorry. My health wasn't very good and I'd appreciate it if he would excuse me from going. I just didn't want to go with that same crowd."

He said, "okay," and added that he was sorry about it all. He then stated, "Well, how about going back with the Department of Labor as Commissioner of Labor Statistics? They need you over there." My job there had never been filled, I'd been on loan from the Department of Labor to Roosevelt. And I just felt that I did not want to go back. Moreover, I was in financial difficulties. I was getting the same salary in 1945 that I got in 1933--\$10,000 a year.

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I had lost my wife in 1938, in childbirth, so I had to have someone to take care of the baby. And I was in debt to nearly all my friends. I decided I'd rather clear my books before I decided on any long term decision.

He said that he was awfully sorry, but suggested that I reconsider the question of going back to the Department of Labor.

We hadn't been home--about a month--when the Assistant Secretary of Labor called me. He said, "Lube, we need you here, we want you back to take over the Bureau."

And I told him I just couldn't do it, couldn't afford to, as a matter of fact. And I was tired, my health wasn't too good.

And he said, "Well, you fix your own time. In other words, you can come when you want and go when you want to go, but we want you there to give direction. If you want to come late in the day and leave early, okay," he said. So I did a little thinking about it and I just decided that I would get rid of my debts before

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I undertook anything else.

I had friends in the motion picture industry, one of them the president of the Universal Pictures. I happened to be having dinner with him, and he wanted to know what I was going to be doing. I said I didn't know. He said, "We need you in the motion picture industry." Before the year was over I made a deal with them--\$50,000 a year and \$5,000 for expenses, personal expenses, for which I didn't have to account. It took me almost five years to pay off all my debts. One of the reasons was that under the income tax law in those days, even though I was the head of the household, I still paid income taxes on a basis of a single individual. So, a good part of that \$50,000 a year went back to the Government.

But at any rate, I was in the industry for 5 years and at the end of the 5 years I was asked by Willard Thorp, who at that time was Assistant Secretary of State in charge of economic affairs, whether I would take the job as the U.S.

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representative on the Economic and Social Council at the United Nations. The salary was \$17,000. My answer was, "Bill you've made a deal."

I was a free man financially, I had paid off all my debts. I had owed money to everybody that I knew. I came back and wrote a letter to the President resigning, thanking him for everything he had done for me. And I brought the letter in to Connelly, and I told him what it was. Connelly said, "They still want you over at Labor."

I said, "I know it." And, I said, "This is it."

And Connelly said, "You know, this is going to break the President's heart."

Now, how serious this was I don't know. In other words, whether the President felt that much of me I don't know, but at least Connelly tried to make me feel that way. And I take it that he did get some leads from the President on this.

President Truman wrote me a wonderful reply, in

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which he said he was accepting my resignation only on one condition, that I would be available for something else if he needed me. It was a sweet letter, and that's where things stood.

Now, from that time on, until the election of Mr. Eisenhower, I was on the Economic and Social Council. I would see the President occasionally. In '48 I wrote him a long letter in the middle of the campaign in which I said, "I think the one appeal that you ought to make is to the small businessman. Every town in the United States has small businessmen and, particularly in the agricultural areas people get together and discuss their problems with the local businessmen of the community. If you could influence the small businessmen in your behalf, they will talk to other people, it will come out in conversations."

And he did give a speech dealing with small business (I don't know who wrote it for him) toward the end of the campaign.

After the election was over he had a sort of a reception for all of the employees of the

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White House. I happened to be in town that day and so I walked along with the crowd. When he saw me he said, "My God, you're the guy who told me I was going to be elected."

As I have said, after that I saw him on occasion. I was very much impressed by the Point IV program in his inaugural speech. He was very proud of that Point IV program. I remember coming to see him one day and he had a globe of the world in his office and we were talking about Point IV. I told him about the interest of the folks from all over the world at the United Nations on this matter, and he walked over to the globe. He said, "Come over here Doctor," he always called me Doctor; he said, "Come over here Doctor," and he pointed to Venezuela, the northern part of Venezuela, and he said, "I've got something there." He said, "You know they've got the most wonderful iron ore up there, and all you've got to do is load it in freight cars and gravity will take it down to the docks." And you could tell that he felt that this was a real

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contribution he had made. And he was always interested in the specific things and their significance rather than broad generalities.

MCKINZIE: Did you have the feeling that he was interested in the work of the Economic and Social Council of the U.N., at all?

LUBIN: I did not. No, in terms of the U.N. itself, that is the Economic and Social Council, I think he had very little concern about it. He knew very little about it. My relationship was with Willard Thorp and [Dean] Rusk--who at that time was not yet Secretary. It was just with policymaking people in the State Department. For example, the Economic and Social Council used to meet twice a year. Before each meeting Willard Thorp would hold a seminar and invite people, both from Government and outside of Government. We'd spend two days

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discussing what our attitudes should be toward the items on the agenda. I am certain that President Truman didn't know a thing about these seminars.

MCKINZIE: Did you think that the State Department, then, had high on its list of concerns the work in the Economic and Social Council of the U.N.? Of course, this came at a very tense time; the Korean war was underway, the United States had its own economic and social programs, the Marshall Plan was already being implemented, the Point IV program, as you just mentioned, was already in operation. How could you assess, or how did you assess the kind of attitude the State Department had toward the Economic and Social Council?

LUBIN: At that particular time I think the attitude was very progressive and very positive. I at-

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tribute that entirely to Willard Thorp and also to Rusk, who would sit in on a lot of these meetings. As far as the State Department itself was concerned, I think it was a sheer accident that at that time you happened to have Willard Thorp as Assistant Secretary in charge of Economic Affairs. And of course, you had Mrs. [Eleanor] Roosevelt, although she wasn't on the ECOSOC

itself, she was on the subcommittee on human rights. She pressed the members of the committee. She wouldn't let them press her, she pressed them.

MCKINZIE: Were there issues which came up during that period in which you had great interest?

LUBIN: Economic development particularly. As a matter of fact, at the meetings we had in the summer of 1945 in London, we created regional commissions which I was very much concerned with.

In other words, I thought you couldn't deal with economic development as a global matter.

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You had to deal with it by regions. We created the Economic Commission for Europe, and it contributed a tremendous amount to the reorganization of the economy of Western Europe particularly. It made arrangements for coal to be moved from one country to another, for gas and natural gas to be moved from area to area. It even made deals with Communist Yugoslavia. And I felt that that type of machinery, and kind of leadership that Gunnar Myrdal gave to it, expedited the reconstruction of Europe. To be sure, the United States made a great contribution, financially and otherwise, in terms of goods and so forth, but at the same time the machinery was there to make reconstruction much more efficient than it otherwise would have been.

Later on we had an Economic Commission for Latin America and now there's one for Asia, and there's one for the Middle East.

Of course, I was interested in the rebuilding of Europe and getting it on its feet as quickly as possible. And although temperamentally, at

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that particular time, I favored the agriculturalization of Germany, from the point of view of logic I just felt that you couldn't impose such a system on Germany for very long. It would cause trouble later on.

MCKINZIE: There were those people who were there, not at the end of the war, who thought that Germany could be pastoralized and that Great Britain could assume the economic functions that Germany had in Europe before the war, that somehow Europe could rebuild without Germany. Did you hear much discussion of this?

LUBIN: No, as a matter of fact, I didn't. I never ran across any of my friends in the British Government, either people I knew during the war, or people that I met during my membership on the Economic and Social Council, who mentioned that possibility.

MCKINZIE: You had experience in the First World War with Government, and with the problems of post-war reconstruction. Were you or were people like Mr. Pauley, sensitive to the problems

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of post-World War II analogies of problems after World War I?

LUBIN: No, absolutely not. They never knew that there was a World War I. I'm exaggerating of course, but I mean they never either analyzed our experience or challenged our experience after World War I.

MCKINZIE: As you sensed it, what did guide their dealings relative to Germany?

LUBIN: Get every damn thing you could out of Germany. We learned while we were there that there was a big supply of gold that had been taken by the Germans and hidden in Spain. Ed Pauley sent a cable to the President to get hold of that gold as quickly as possible and move it to the United States before somebody else got it. And Jimmy Byrnes sent back an answer to him to the effect that we have a commitment to the free countries of the world that any gold that the Germans took from them would be returned to

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them, and it just happens that we are the kind of people who keep our word.

MCKINZIE: Regarding your staff which worked on the problem of reparations, what kind of instructions did you give your staff about computing reparations schedules?

LUBIN: Well, most of the staff was concerned with what there was left in Germany. We didn't know, until we got to Potsdam that the Russians had already taken reparations. The materials we had was of great value in getting some idea of what we could talk about if we sat down with the Russians and said, "Listen, there are so many freight cars, how many will you need? There are so many locomotives." We might even have gone into specific industries, that the Russians might want in terms of equipment. We were dealing entirely with mundane things. The Russians were talking dollars, so many billions of dollars.

I had an interesting experience in Moscow.

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The economist for the Russians and I were out walking one day. It was summer and we were walking along the river. He knew English--couldn't speak it but he could understand it. He was fluent in German, and I understood German. So I would talk to him in English, he would answer in German. And I said to him, "Tell me, you're an economist, explain to me what is the logic of talking about billions of dollars--billions of dollars at what price level, before the war or the present? You can put up any figure for any goods. We can say this railroad engine is worth 10

million dollars, and so we can arrive at 20 billion dollars worth of reparations by manipulating the price level.

I added, "You're interested in rebuilding the U.S.S.R. We're interested in helping you rebuild. What is it that you need? What is there in Germany that can help you do that, and at the same time not put Germany in a position that we will have to support her for the next generation or two?"

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And he looked at me and smiled and he pointed to the Kremlin, and he said, "You know, those people up there are just like you Americans, Capitalists."

MCKINZIE: Can I come back to the negotiations before Potsdam? You have said that absolutely no progress was made. What was the nature of the negotiating sessions themselves.

LUBIN: We'd meet almost every morning and we'd ask the Russians for a list of what they wanted and they'd come back and say we want so many billions of dollars. And we'd sit and talk and argue the absurdity of it, and keep repeating it day after day--made no progress at all.

MCKINZIE: If Mr. Pauley didn't have any appreciation of the problems which reparations caused after World War I, did the Department of State?

LUBIN: Definitely, yes. The people in the Economic Section were very conscious of what had happened in Germany as a result of inflation and as the

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result of reparations, yes.

MCKINZIE: Did you talk to President Truman about the specifics of reparations, about the principles, at least, of reparations?

LUBIN: No, but I had with President Roosevelt. He was very conscious of what had happened to Germany as the result of reparations. As a matter of fact, the evidence is that at the Yalta meeting he made it perfectly clear that we would not talk dollars. We would talk physical things that they need to rebuild their country, and he emphasized that to me.

MCKINZIE: Railroad cars, steel, that kind of thing?

LUBIN: Yes. And a lot of things the Germans could make.

MCKINZIE: Commodity reparations?

LUBIN: Yes. That's what they took. Despite the fact that you had an independent country in terms of world politics in East Germany, the Russians

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continued to take equipment. You could see the loaded freight cars. Some were open cars and some were not. One trainload had a lovely 32-foot yacht on it. I don't know that anybody ever estimated the value of what they had actually taken out.

MCKINZIE: At the end of the war there was a view about the postwar world which economists had been nurturing during the war, particularly those who were close to Will Clayton. It was that there would be a new order of things and it would be characterized by more integration of economies, and, hopefully a little integration of the political systems. But, at least, the economic integration would create a mutual dependence and, therefore, stability. Did you share that view?

LUBIN: Very definitely, yes.

MCKINZIE: Did you believe that in 1945 and early 1946, when you were working on this reparations problem, that such a reordered international scene was in fact possible and probable?

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LUBIN: At the time I was of the impression, and it was a false impression, that the Russians would be cooperative and would be working in a partnership. I anticipated that happening. I saw, while we were in Moscow, that I was too optimistic. While we were in Moscow there was the annual meeting of the Presidium. Stalin was there sitting on the stage in a corner, everybody making speeches. I've forgotten the name of the Russian general who made a long speech. He talked for half an hour on what the U.S.S.R. had at the beginning of the war, before they were attacked by Hitler, and what they had at the end of the war. "We started out with so many tanks, and now we have ten times that number; started off the war with so many airplanes, and now"--but he never said a damn word about where the tanks and planes came from. I began to realize that these people were not going to give us credit for anything we did for them.

We also were in Moscow the day they had the big gymnastic parade. Each one of the provinces

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sends a team of athletes, or bands; they have a tremendous parade. This was in late June. Every region was represented. General Eisenhower came over to be their guest for that day. And of course, the streets were crowded--all this held at Red Square, where the most of the eminent people were sitting. General [Lucius D.] Clay was with them.

I got in my car, and I had a little American flag on the radiator. It was a Russian car that they had furnished me. As we approached Red Square--I was staying at Spaso House with Harriman, living with him--as we approached Red Square the crowds got thicker and thicker and finally the driver said to me, "I can't go any further. You'll have to walk from here."

So I said, "This will be okay," and I got out of the car. As I got out of the car there was a large amount of applause. I couldn't figure out what the world it was all about, and I said to my driver, "What'd this for, is Stalin coming or something?"

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And my driver said, "No, this is for you. You're an American." In other words, the rank and file, the average man on the street, felt indebted to us. But the important thing is that all of that was changed through their propaganda machinery within a few months.

MCKINZIE: At that time, when you were staying at Spaso House with Ambassador Harriman, was there any discussion of postwar economic assistance to the Soviet Union? At one point the Soviets suggested that they needed about 6 billion dollars, and that was communicated to Ambassador Harriman. That would have had, perhaps, some tangential relationship to Russia's need for reparations. Was that ever discussed?

LUBIN: Reparations and loans were never brought up at the same time. And there was no relationship between them in our conversations.

MCKINZIE: Do you think that had the Reparations Commission consisted of more economists and technical experts, a reparations settlement could

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have been worked out? I'm trying to get at this: what part was a split in visions of the future and conduct toward the conquered enemy, and what part was a matter of expertise of personnel.

LUBIN: I don't think the personnel had anything to do with it. By the time we got there, the Russians had already raised the question of dollar volume at the meeting at Yalta. And so from that point of view they already had their policy set up. It was going to be so many billions of dollars worth of reparations. I don't think it would have made a bit of difference who represented us. That was their policy. We, on the other hand, had a fixed policy as well--that we didn't talk in dollars, we talked only in commodities.

MCKINZIE: So, from your point of view, even though your work with Pauley's group wasn't a pleasant affiliation, it wouldn't have made much difference with whom the affiliation had been.

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LUBIN: You are right, but don't forget that while we were there, they [the Russians] were already robbing Germany. They had already started taking their reparations while we were in Moscow, and we discovered that when we got to Potsdam.

MCKINZIE: Did you have any occasion to talk to the U.S, military about the reparations issue? The military government was in existence by that time and they had their own policy staff. Were there military considerations in determining reparations levels?

LUBIN: I doubt it frankly. I think the military was more determined than anybody else to get the hell out of there as fast as they could and the way to do it was to make themselves self-sufficient.

MCKINZIE: Russia was not the only nation to ask for reparations . . .

LUBIN: Oh yes, we got requests. I think every government that had an embassy in Moscow sent us requests.

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MCKINZIE: Did you recall any dealings at all with the French?

LUBIN: The French were not on the original commission. After we had gotten there, after we had been there about a week, we learned from Washington that the French were going to be added. The original commission was the United States, U.K. and the U.S.S.R.

MCKINZIE: You didn't have the feeling at that point that France was going to make demands like the French demands at the end of the First World War?

LUBIN: No. And knowing the person who represented the French makes me feel very definitely that they wouldn't have sent him if they had any such desires. In other words, he was a straight-forward person and he had a logical mind. I'm sure that even if they wanted to file claims against Germany for reparations purposes he wouldn't have let them.

I used to go out walking with him occasion-

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ally, and the thing that impressed him more than anything else was the little private markets where the farmers would come with eggs; their wives would come in with chickens. That impressed him more than anything else, that this could take place in a Communist country.

MCKINZIE: It is my impression that you believe that too much time and money is wasted in the Economic and Social Council.

LUBIN: Right because of the fact that anybody who wants to submit something for consideration, any country, can have it considered. I mean, you've got a political situation where you don't say "no" to a member. After you spend a month arguing different questions, they are then put on the agenda of the General Assembly. The General Assembly has various sub-parts. Committee number two usually handles the economic problems. In Committee number two, you have a complete repetition of everything that took place during the month in the Economic and Social Coun-

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cil. And after the questions have been argued and argued, they come to the plenary session.

And there again you have further arguments and debate.

MCKINZIE: I've talked to some economists who have said that they believed that the economic functions of the U.N. should be separate from the social functions.

LUBIN: Yes.

MCKINZIE: That always social issues befuzz the hard realities of economics and that inevitably the rhetoric of social problems obscures the economic aspects. Did you have any feeling about that at that time?

LUBIN: Well, I had a very definite feeling that you've got two problems--one economic and one social. When I was at the Department of Labor, I handled International Labor Organization matters. We had a representative in Geneva who was under my direction. John Winant was head of the ILO

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for some years and his answer to the social problems of the world was, "Let's fix social standards even though we know that the economics of the situation won't permit those standards to exist." So he went all through South America advocating minimum wage laws and unemployment insurance laws and workman's compensation laws. His theory was that once you had them on the books, even though you can't afford them, at least they are there and you can work in the proper direction. And I must say that there's a lot to that logic.

My wife happens to be with the United Neighborhood Houses of the City of New York. And they have all kinds of problems of low income families and day care kids, and preschool, things of that sort. She fought the Nixon plan several years ago to get a minimum income for families. We had two years of debate and all of our liberal friends opposed it because the amount per family was too low. And I kept arguing, "But let's take it, don't fight

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it. Once you have the principle on the books you needn't worry. I happened to be on the commission appointed by Roosevelt to formulate the minimum wage law, and I think, if I remember correctly, we fixed a rate of 20¢ an hour and I was accused of being a labor baiter and everything else, an exploiter of labor. I went along with 20¢ because I wanted the principle of minimum wages on the Federal Statute books. But look what you're getting now, you're getting close to \$3.00. Now that the President has approved the principle, let's get it on the books and then start working on improving it."

And I've always held my liberal friends in Congress responsible for our not having the minimum family incomes in the United States. They are responsible' not this [Nixon] administration, for the failure of the families in this country being guaranteed minimum incomes.

MCKINZIE: You would apply that same principle to your work in the Economic and Social Council--you get the principle accepted and then you ex-

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pand it later?

LUBIN: Yes.

MCKINZIE: Looking back, do you think it would have been more effective to have a separate forum, or a separate unit of the U.N. dealing with economic problems alone?

LUBIN: I don't think it would have made much difference, really. You just prolong the debate.

In a report on the U.N. that I made at an Arden House conference, I recommended that we limit the functions of the Economic and Social Council. At that time we only had 16 members, now we have 29. I suggested limiting the functions of the ECOSOC, keep it small and restrict its functions to deciding what goes on the agenda of the Economic Committee of the General Assembly with no debate and no waste of two or four weeks.

I know that some of the people on ECOSOC opposed the idea because they might lose their jobs or at least they would lose their

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trip to Geneva once a year. Those who weren't on it, opposed it because they wanted to get on it, so we got nowhere.

MACKINZIE: You have said that you wanted to get away from Government so that you could get into private business and resolve personal financial problems. Would you have made a career in the Government if the salary had been appropriate?

LUBIN: Oh. I would have, definitely, yes. I must say I don't think I ever worked as hard, nor have I ever done anything that gave me more pleasure, than the years that I was a member of the Economic and Social Council.

MCKINZIE: Well, thank you very much.

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