

EUROPEAN RECOVERY PROGRAM INTERVIEW TRANSCRIPTS

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IVAN MATTEO LOMBARDO – Born in Milan on May 22nd, 1902
Economist, politician, businessman.

- 1920-22 - Editor of Labour Section of Socialist newspaper “AVANT II”
- 1922-25 - Service in the Army in Lybia.
- 1925-44 - Activity in trade and export business, market research, management of industrial plants.
- 1945 - Appointed Commissioner for Industry in the Italian Liberation Committee for Lombardy.
- 1946-46 - Under Secretary of State for Industry and Commerce in the Parri Cabinet, and in the first De Gasperi Cabinet.
 - Chairman of the Commission for Industry and Northern Italy.
 - Member of the National Consultative Body (Consulta).
- 1946 - Chief of the Italian Delegation to the Cotton Conference in the U.S.A.
 - Secretary General of the Socialist Party (PSIUP) elected at its National Convention in Florence.
 - Member of the Constituent Assembly, elected in the Milan constituency.
 - Chief of Italian Delegation for trade and economic negotiations with France.
- 1947 - Ambassador extraordinary leading Delegation to the U.S.A. for economic, financial and trade negotiations concluded in August, in Washington, D.C., with the signature of the Lovett/Lombardo Agreements.
 - Chief of Italian Mission to Mexico for political and economical negotiation.
 - President of Delegation for the negotiation of the Treaty of Friendship, Commerce and Navigation between Italy and the USA.
 - President of Delegation for the negotiation of the Diplomatic and Consuler

Agreement with the U.S.A.

- 1948 - When the Socialist Party (PSIUP) joined at its Rome Convention the Communist Party in the Popular Front, he organized a movement of Independent Socialists of which he was elected Secretary and subsequently joined the Social Democratic Party (PSD)
- 1948-49 - Minister for Industry and Commerce in the fifth De Gasperi Cabinet.
- 1948-53 - Member of the first Republican Parliament, elected in the Milan and Naples constituencies.
- 1948-61 - President of Compagnia Nazionale Artisanica (CNA), Florence.
- 1949-61 - President of Triennale International Exhibition of Decorative Arts, Industrial Design and Modern Architecture, Milan.
- 1950-51 - Minister for Foreign Trade in the sixth De Gasperi Cabinet.
- 1951-52 - Chief of the Italian Delegation at the Paris Conference for the EDC (European Community of Defense).
- 1951-52 - Co-President with Ambassador J.D. Zellerbach (U.S.A.) in the Italian American Council for Marketing.
- 1951- - President of the Italian Chamber of Commerce for the Americas, Rome.
- 1952-54 - Chief of the Italian Delegation at the EDC Interim Committee, Paris.
- 1955-61 - Member of the Board of the European Productivity Agency (EPA), Paris.
- 1955- - President of the General Committee and of the Board of the National Council for Productivity (CNP), Rome.
- 1955- - President elect of the Italian Atlantic Committee (CIA), Rome.
- 1959- - Elected member of the Assembly of the Provincial Council of Milan.
- 1959-60 - Elected President of the Atlantic Treaty Association (ATA), London.
- 1962 - Member of the Atlantic Convention of the NATO Nations, Paris.
 - Member of the Board of Governors of the Atlantic Institute, Paris.
 - Sponsor of the Declaration of Atlantic Unity
 - V.P. of the Board of the Council of the International Movement for Atlantic Union Inc., Washington.
 - Vice President of the Atlantic Treaty Association (ATA), Paris and London.

- Member of the Board of ISAP (Institute for Studies of Scientific Management in the Public Administration), Milan.
- Chairman of the Board of SCUIBB S.p.A., Rome; of CURITY S.p.A. Rome; of RAHSET ITALIANA S.p.A., Milan.
- Member of the Boards of LEVANTE S.p.A., Genoa, BINOT S.p.A., Milan.
- Grand Cross for Merit of the Italian Republic; Grand Officer of the “Orden de Mayo” of the Republic of Argentina; Officier de la Légion d’ Honneur; Gold Medal for Merit of the Municipality of Milan.

European Recovery Program
Interview With
IVAN MATTEO LOMBARDO

Rome, Italy
May 8, 1964
by Dr. Philip C. Brooks, Director, Harry S. Truman Library

[1]

DR. PHILIP C. BROOKS: Could I start this way, Mr. Lombardo? You were in the United States at the time that General Marshall made his speech?

IVAN MATTEO LOMBARDO: Oh, yes, I was there. I was there in the capacity of Ambassador Extraordinary for economic and financial negotiations which finally ended with the Lovett-Lombardo agreements.

BROOKS: In view of the fact that you were there negotiating postwar problems, did you know that something like the Marshall Plan was coming? Did you expect it?

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LOMBARDO: Honestly, I did not expect it. I did not anticipate that Italy would have been helped with other means in her effort for rehabilitation. I was feeling, in a way, tremendously elated by the results of my negotiations, and felt that we had reached the maximum of the generosity which the American people and the American Administration could afford. Of course, I realized that the general idea of the program was aimed at rehabilitating the situation of the Europeans who had been destroying themselves and their countries in an awful war. I felt, of course, that eventually Italy could come into the picture too, but at that time I was not yet familiar with the full dimensions of the program, its working mechanism, with the full scope of the project which was inaugurated a few months later.

BROOKS: That was another question I wanted to ask..

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Did you expect Italy to be included?

LOMBARDO: Well, when I realized that it was a general program for the European recovery, I immediately thought that Italy, eventually, would be included too.

BROOKS: Some people say that a good part of the motivation of the American Government was really to develop America's own export trade, and that this wasn't all altruism.

LOMBARDO: Yes, I remember these slogans because it was on account of them that I fought my most bitter political battle. As a matter of fact, I had been a member of the Socialist Party in Italy and the year before I had even been Secretary-General of the Party...

BROOKS: You were associated with that party for 30 years, weren't you?

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LOMBARDO: Exactly, since my youth. My speech at the Convention which took place in Rome in January 1948 was practically focused on the Marshall Plan. I was fighting against those foolish slogans, against the very criminal attempt of trying to have the people antagonize the program; against the ridiculous fibs that the Marshall Plan was going to be a chain of slavery shackling the agricultural production of Europe, that it had the selfish motive of dumping the American excess of industrial output on the European markets, and so forth and so on. I will give you the text of that speech. Since the party's Convention had decided to join the Communists in the Popular Front, and feature as the fundamental issue for the incoming general elections a staunch opposition to the Marshall Plan, I had no choice but to quit the party, and I formed a group which participated in the election

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campaign on the same ballot with Saragat's Social Democratic Party. The results at the polls were gratifying indeed, inasmuch as our plank was practically based upon the Marshall Plan. Nevertheless, the hostility of the Communists and fellow travelers against the Marshall Plan never subsided. You remember the attitude of Soviet Russia -- you remember that Czechoslovakia was ready to accept but was ordered by Soviet Russia not to dare to...For many years a large section of the Italian public opinion, which was heavily influenced by Communists, was convinced that the intent of the Marshall Plan was to destroy the industrial and agricultural structure of our society. The development of our foreign trade belied all that nonsense and proved the great value and the very unselfish motives which were behind the Marshall Plan.

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BROOKS: Before we turned on this tape, Mr. Lombardo, you made a reference to the Alianza para Progreso. I wonder if you could say something about that again?

LOMBARDO: Well it was just a remark, I am not thoroughly familiar with the mechanism and structure of the Alianza para el Progreso, but I have a general idea about it. In a way the difference between the Alianza para el Progreso project and the Marshall Plan is that the latter has had the active support of the beneficiaries, while it looks as if, from certain points of views, there is no such support on the part of the beneficiaries of the Alianza para el Progreso.

BROOKS: Did you feel that Italy was fairly represented before the Franks Committee, the one that met in Paris in 1947?

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LOMBARDO: Well, as you can easily understand, there are always mixed feelings about such things. There were some who felt that Italy was well represented, and others, especially among some vested interests, who were fighting to preserve some of the situations they cherished, who felt just the opposite. Judging from the result, I would say that we were well represented.

BROOKS: Well, I read that some people in Italy felt that the British were taking too big a hand.

LOMBARDO: You know that when it's a question of sharing something there is always jealousy.

The Britishers, the Italians, the French were all concerned about the dimension of the aid which would be given to their respective countries. The aid offered through the Marshall Plan found in the OEEC the body which tried to allay fears and jealousy, to avoid squabbles

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among the beneficiaries. There have been some countries which have benefited more from that aid than other ones. But not always did the benefit derive from, or coincide with, the amount of aid allocated. I mean to say that some countries were able to put their share in the Marshall Plan to use with better results than other ones did. After all, we should not disregard another feature of the Marshall Plan: the moral one, I would call it. Hope, confidence, feelings of solidarity derived from it. In some countries this worked real wonders.

BROOKS: Could I go back to '47 and ask you, would it be possible for you to say, what was Italy's greatest need at that time? I've seen references to food, relief, coal, power, to transportation...

LOMBARDO: We were practically in dire need of everything. Italy had practically no coal and no

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oil; commodities and raw materials of every kind were scarce. Food was absolutely insufficient. Power was down to around 40 percent -- 45 percent of its possible capacity.

BROOKS: This was one of the great potential aspects, hydroelectric power?

LOMBARDO: Yes, we had to repair and restore our hydroelectric potential, to expand it up to the maximum economically exploitable. Then we had to figure out an expansion in thermoelectric power. Expansion was possible only because of the Marshall Plan. I was Minister of Industry and Commerce at that time. An agreement was reached with the companies producing electricity, linking a reasonable increase in tariffs with overall projects of expansion. General and particular projects were developed within the general setup of the Marshall Plan: in five years we doubled

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the quantity of kilowatts produced. The capacity of the electric plants had been improved considerably. We had to develop also thermoelectric production, but we were lacking the special generators of sixty thousand or one hundred thousand kilowatts; and besides that, the necessary fuel for operating them. All this had become possible through our share of the Marshall Plan.

Everything was lacking: textile fibers, essentially -- cotton, wool, jute were not available. In fact, we had only some hemp and silk, which were practically on the wane, and rayon.

But aside from the problem of feeding existing industries and developing new ones, the Marshall Plan gave us a tremendous support in the extremely difficult job of rehabilitating the means of communication, in countering the shortage of means of transportation. The Marshall Plan was

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extremely beneficial not only in feeding the channels of industry, in developing new endeavors, but essentially in restoring competition. This was quite a problem. Many of our industrialists had been accustomed to having their nice niche, fitting in their productive sector, in which no newcomer would dare to intrude unless officially authorized. Even for new plants and for expansion of the existing ones, governmental authorization was necessary. The setup of the corporative governmental authorization was necessary. The setup of the corporative State, of course, allowed the vested interests to protect themselves against any new initiative, any potential competitor. After Liberation Day the most difficult fight consisted in trying to modify that negative philosophy, in stamping out nostalgia for the ancient setup. I do believe that a tremendous revolution was brought by the Marshall Plan,

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when the concept of competition became again the accepted philosophy in every economic sector of the country. And our industrialists proved their worth... There was a tremendous upsurge in the Italian capacity of producing, both quantity-wise and in terms of quality.

BROOKS: Would this same thing apply to international trade?

LOMBARDO: Oh, yes, it has had a great effect upon our international trade. As a matter of fact, very few sectors of our industry had been adequately following the technological progress in the years of "autarchy," of "self-sufficiency." In some fields, we were fifteen to twenty years behind other countries. Moreover, the Marshall Plan, and especially the up-to-date equipment which was bought in the United States, was another tremendous inducement for the rejuvenation of our

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industrial structure; then we realized how obsolete many of our plants were. This has had another tremendous influence upon the recovery and the development of my people and my country.

BROOKS: This is a good illustration of how the political and the economic factors are tied together.

LOMBARDO: And the psychological ones, too.

BROOKS: On the subject of food, did you think that UNRRA had done its job well?

LOMBARDO: UNRRA was very much aware of the Italian situation. I should say that in those tremendous and difficult years of 1945, 1946, and part of 1947, I had the feeling that they had been doing their utmost. I remember that, in those years, we were in such a dire condition that, occasionally, for providing bread rations

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for the next week or even days, UNRRA had to reroute a shipment, or to change the destination of some boats already on the high seas and bound in other directions, to have them come to Italian harbors. At the end of the war, the black market had been playing havoc with our economic situation, to such an extent that even the little available could not be put to proper use and satisfactory distribution.

BROOKS: There was considerable debate in some sectors in the United States at that time as to whether the Greek-Turkish aid program and the Marshall Plan were really matters of economic warfare against the Communists, or matters of economic reconstruction. In this respect, did you see the Greek-Turkish aid program and the Marshall Plan as something quite different, or separate?

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LOMBARDO: No, I felt that they all belonged to the same design, a scheme which had a practical purpose -- to check the advance of communism. The Communists seek to take advantage of any situation of deterioration. Their mean philosophy can be summarized as follows: The worse, the better. They are essentially dedicated to the conquest of power. Ideological tenets have a minimal value as compared to their lust for power. Consequently, they may derive great advantage in a situation of unrest, of hunger, of misery. Therefore the destruction caused by war, the gloomy future which seemed to be in store for everybody, the disaggregation of the fabric of societies, constituted fertile soil for their endeavors. They could have been practically in the situation of conquering the rest of Europe. After that, those who would have survived the bloodbath which characterizes their

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conquest of power, would have bitterly realized that communism institutionalizes hunger and poverty and that the situation had become despairingly hopeless. You know how it happens when at a certain moment ideological ballyhoo fills the minds of people: they are ready to believe in the most absurd promises and foolish expectations. Human beings are gregarious, and sheepishly inclined to follow the wrong Messiahs without thinking too much. You have just mentioned the Greeks, Mr. Brooks. I have no doubts that the Truman Doctrine and the Marshall Plan served the Greeks well. It was necessary to create such psychological, political and economic conditions that would enable the people to understand the value of democratic institutions, to appreciate and safeguard freedom, to believe in their own future, and consequently to build that future,

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rallying the countries which form today what we call the free world.

BROOKS: As to the general attitude toward the Soviet Union, do I gather that the Italians would not have welcomed Russian participation in the Marshall Plan?

LOMBARDO: Well, I guess that the people, probably, would have had nothing to say about that. From the moment they realized that the Marshall Plan was a tremendous effort of solidarity, being offered to the nations which had been practically destroying each other in World War II, to rehabilitate their own countries, they would have agreed that Russia could make a very good use of that generous help. This was probably the general feeling of the people, but not of those who knew things. The latter realized that

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Russia would not accept to share in the Marshall Plan and if she did it, it would only be for disruptive purposes, for boring from within. In 1945 and 1946 those who were politically minded had been visualizing and anticipating what was in store for the world on the part of the Soviet regime. The most expert scholars who knew something about the situation existing in the Soviet world realized very soon, Dr. Brooks, and mainly after Yalta, that the predominant idea spurring the USSR was the one of implementing the old plan of conquest of the world, through the conquest of Europe.

BROOKS: What about Germany? What was the Italian attitude toward the reconstruction of Germany?

LOMBARDO: Well, I should say that at the start there was a lack of direct knowledge about the situation of Germany. People who had been accustomed to being badgered by the Germans nurtured grudges

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and resentment. There was, in some quarters, even a revengeful spirit against them. The people did not realize that Germany was in a very bad shape. Possibly, some Italian economists thought, after all, that maybe it would be of some advantage that Germany had suffered even larger destruction than other European countries had endured. They were fearful about a greater competition from the Germans than they had been accustomed to before. But if I do recall correctly, the frame of mind of those who understood the philosophy of the Marshall Plan (although some of us hadn't been able to wipe out entirely the bitterest recollections of the war) was that it was necessary that Germany should rehabilitate itself. We understood that, after all, we were all in the same boat. Consequently, aside from the bitter Communist reaction, we realized that it would have been unjust that

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Germany should not take its share in the reconstruction project.

BROOKS: Was Germany important enough in the economy of Italy so you felt that it was necessary?

LOMBARDO: Yes, it was important, it has always been important. And the vice versa is true too. But the feeling of that necessity, at least as far as I am concerned, stemmed from two other considerations: a) humanitarian, in the sense that I felt the German people were entitled to rebuild their country and look into the future with hope and confidence; and b) political, in the sense that I realized that otherwise, in utter despair, the Germans would turn towards the USSR for help and assistance and this would mean, that sooner or later Germany would become the spearhead of the Russian thrust in Europe.

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BROOKS: Did you think that economic cooperation among the countries of Europe this soon after the war was possible?

LOMBARDO: I was dreaming that it would be possible, but I was not so sure. I started to figure my dreams would, after all, become true some time after the OEEC showed the excellent results of a job well thought and fairly well accomplished. A definite feeling about the possibility of full economic cooperation among the countries of Europe, I acquired directly when I was appointed Minister for Foreign Trade in the sixth De Gasperi Cabinet.

BROOKS: Did you think at the time that the Marshall Plan would lead to a Common Market?

LOMBARDO: Oh yes, but -- as I just said -- because I was trying to fit cartesian schemes within the

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frame of dreams. Under the angle of sheer reasoning, it appeared to me that this should be the logical consequence of the success of the Marshall Plan and of the teachings of recent history. But we Europeans are so unpredictable; but nationalism has such an appeal, especially among the people who don't know about economics and world politics, that I have been always very much on the alert, lest we would be again reverting to, or drifting towards, some well experienced, deeply ingrained, nonsense of ours.

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