

EUROPEAN RECOVERY PROGRAM
Interview With
BARON JEAN-CHARLES SNOY

Brussels, Belgium
May 27, 1964

by Philip C. Brooks, Director
Harry S. Truman Library

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EUROPEAN RECOVERY PROGRAM INTERVIEW TRANSCRIPTS

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DR. PHILIP C. BROOKS: I would like to start, if I may, Baron Snoy, by asking if you agree with some persons to whom I have talked that the Marshall Plan was a turning point in the economic history of Europe.

BARON JEAN-CHARLES SNOY: It was certainly a turning point and very important one, because it was very unusual for the European countries to cooperate sincerely together in the years '46 and '47 and '48. In fact, we had a most interesting event in July '48. We were all, at

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that time, lobbying at Washington to get the biggest possible share for every individual country in the Marshall Plan and I always remember the day when Governor Harriman came to me and said, "Now, you have to stop this undignified lobbying going on in Washington, because if you don't do it, you'll not get a cent from the Marshall Plan."

BROOKS: The theory was to have the lobbying done at Paris, wasn't it?

SNOY: Lobbying had been done everywhere, but, we had the necessity of producing a plan of division of aid, which had to be accepted unanimously and that meant something entirely new to the habits of cooperation of European countries. And we began from that day to open our books to each other with the fullest sincerity, and it was impossible from that point to do anything

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except with unanimous consent and we had to convince each other of the righteousness of our case.

BROOKS: Could I go back a little, sir, and ask you, did the people of Belgium or did you expect this strong action on the part of the United States?

SNOY: In fact, the speech of General Marshall was not expected, but we were all under the feeling of a crisis, which had to be taken care of in one way or the other and we didn't know exactly what the outcome would be. Of course, everyone was relying on the United States as leader of the Western World.

BROOKS: Do you remember what your initial reaction was, or what people here, generally, thought about General Marshall's program?

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SNOY: The reaction was extremely enthusiastic and I remember that in the first days of July, we arranged a meeting with our Benelux partners to have a common answer to the speech of General Marshall and also to the invitation of the French and British Foreign Ministers to get together in a conference at Paris.

BROOKS: General Marshall's speech called for a very high degree of cooperation among the European nations. Did you think that that was possible at that time? Was there any skepticism here in Brussels?

SNOY: We thought it had to be possible. In fact, we had our own experience, as small countries in Benelux where we were able to work together in a very novel way of cooperation. We thought that there was no future for Europe, if we didn't push forward such a cooperation between all the European

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countries.

BROOKS: People have said to me that the Marshall Plan, the OEEC, was the first experience of this kind of economic cooperation. I wondered, if here in Belgium, the experience of the Benelux Customs Union was significant, if really you didn't have some prior experience.

SNOY: You know, in fact the Benelux Treaty had been already foreshadowed in 1932 by an effort called the Ouchy Convention, where the three same countries wanted to build together a customs union. This had been impossible due to the reaction of the great European countries, which didn't want any kind of discrimination, as they called it. During the war, the idea of the solidarity of the Benelux countries, at least economically, was growing stronger and stronger and so it was possible for the three governments

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in London in exile, to sign, on September 3, 1944, the Treaty of Benelux. Then we started after the liberation of Holland, which came the last of the three to build together, the reconstruction of our countries, economically speaking. In fact, the decision to have a customs union working on the first of January '48, had already been taken in '47. We had some experience of the problems and we knew that things were difficult but that they were possible.

BROOKS: In other words, your experience in the Benelux Customs Union was good enough so that it made you optimistic about it. And you were personally associated with the Benelux organization.

SNOY: Yes, of course, I was at that time already Chairman of the Council of Union.

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BROOKS: Did you or did the Belgians think it wise of Bevin and Bidault to ask Molotov to come to Paris and to invite the Russians to join?

SNOY: As far as I recall my impressions at that time, I thought this was a sound way of handling the matter. We knew that the chances were, perhaps, not so great to have the Russians accept it, but why should we exclude anybody of the European countries from this common effort? If the Russians had to refuse, well that was too bad, but we had done our duty.

BROOKS: You thought the Russians probably would refuse?

SNOY: Yes, that seemed probable at the time.

BROOKS: Well, this is a rather hypothetical question, but, had they accepted, would the plan then have worked? Could it have worked?

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SNOY: Well, we don't know, of course, what would have happened. In case they had accepted, it would have been possible for them to break up many things, that's true. But, on the other hand, there again it would have been so clear that it's not certain that they would have done it easily.

BROOKS: Would you say that the rift between the East and the West that we now call the Cold War had really developed by June 1947?

SNOY: No, you will always remember the case of Czechoslovakia. The Czechs accepted, in fact, the invitation of Mr. Bevin and Mr. Bidault, and this was the reason why the Russians provoked the famous Coup de Prague. And, this was the beginning of the Cold War.

BROOKS: Mr. Lange, the Foreign Minister of Norway,

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told me he thought that Czechoslovakia was trying to act as a bridge between the East and the West on their side, just as Norway was on its side.

SNOY: That may be true, but I couldn't confirm it.

BROOKS: What about Germany, Baron Snoy? Thinking both of the judgment of the leaders and also of popular opinion, which was the stronger, whatever emotional antagonism existed toward the Germans as a result of the war, or the feeling that the German economy had to be allowed to recover to make Europe prosperous?

SNOY: Of course, you must be aware that Belgium had been occupied during practically four years and a half, and that the occupation had been very hard and very cruel. We had hard memories. On the other hand, we also had

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the experience of the other World War, and we knew that what we had done after the First World War, to exact reparations and to ask probably more than was economically possible or sound, had driven Germany into the Second World War, to a certain extent. Therefore, we were more moderate in our feelings in '47, than we had been in '20. This is quite clear in my mind and this is not only true at the level of the government, it was true at the level of public opinion in our district.

BROOKS: The Belgians wouldn't have favored a plan to make Germany an agricultural country.

SNOY: No, we were quite aware of the impracticability of doing that.

BROOKS: On the question of the level of industry in Germany, the Belgians were willing to see the

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German industry rebuilt.

SNOY: In fact the idea has always been, how could we avoid the strong heavy industries of Germany becoming an instrument of war again. Of course, the solution was found in '50 with the Schumann Plan.

BROOKS: This is a digression, but one thing that's interested me, since I've been in Southern Europe, is whether the Greek-Turkish aid program of the Truman Administration, which was practically simultaneous in time, was regarded here as something quite separate from the Marshall Plan. Or was there any particular concern about the Greek-Turkish problem?

SNOY: Yes, we certainly had a concern about the Greek and Turkish positions at that time. In fact, the matters were extremely mixed together,

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because when we were talking about the cases of Greece and Turkey inside the Marshall Plan, we knew about the necessary coordination with the other plans of help to these countries. We were aware of the necessity of helping them very largely to avoid an extension of Communism in the Mediterranean.

BROOKS: Many people in our country thought of the Greek-Turkish program as part of the war against Communism, in economic and military aid, and so forth; and of the Marshall Plan as something quite different -- a matter of economic recovery. Did you think of the Marshall Plan as a phase of economic warfare, or otherwise?

SNOY: No, in fact, the Marshall Plan was essentially a reconstruction of the European economy. But, the state of the economy in '47 was so bad that we all knew that a collapse of the European

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economy would have meant Communism everywhere.

BROOKS: I've been told that the occupation in Belgium by the Germans during the war was of a different character from that in Holland and Norway, for example. In fact, some people have said it wasn't quite so severe.

SNOY: It was more a military occupation than a political and civilian occupation. We had always during the war a great difference between the treatment imposed on us by the German Army, or by the German SS, or the political leaders -- Nazi leaders. In Belgium, it was only during the last months that influence of the political Nazi leaders was greater than the influence of the military heads.

BROOKS: Now the winter of '47 and '48, Baron Snoy, after the Marshall speech was a critical time

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in much of Europe. I take it that most people here knew that the Marshall Plan would not be approved by the American Congress for months. Did this in itself create problems? Did people here follow the debates in Congress?

SNOY: You must remember that the situation of Belgium was, to a great extent, much better than any other European country at that time. We were even considered at that time as living to a

certain extent in a "fool's paradise," because we had avoided many of the breakups which were due to the monetary crises. We had no monetary crises in Belgium and our balance of payments was in order. We were able to supply the essential needs for our balance of payments, and, therefore, we were perhaps less aware than other countries about the seriousness of the situation.

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BROOKS: Someone referred to Belgium as "an island of prosperity."

SNOY: It was certainly, at that period, and this was to a great extent due to the fact that we were able, immediately after liberation, to start a normal economic process again with a minimum of destruction of our equipment.

BROOKS: Following on that comment, may I ask, what did you feel was Belgium's greatest need from the Marshall Plan?

SNOY: Belgium's greatest need from the Marshall Plan was the possibility to start again with the normal pattern of trade. That's the reason why we had practically no direct aid but only indirect aid, and that meant that dollars were put correspondingly at the disposal of our partners in the OEEC, enabling them to purchase Belgian products.

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BROOKS: You were much interested in building up the economy of other countries?

SNOY: Yes, absolutely, because our economy cannot work if the economy of our neighbor is not in order.

BROOKS: I believe that you were at Paris, fairly early in the period of the Marshall Plan, were you not?

SNOY: Yes, I was in Paris already in July '47 to take part in the Conference, and then I was selected as the Chairman of the Council of OEEC at the alternate level, in April '48.

BROOKS: So, in '47, you were there with Oliver Franks and Robert Marjolin and so forth.

SNOY: Yes, I was there with Marjolin, Eric Berthoud, and all the other persons.

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BROOKS: Did you feel, Sir, that the "big powers," if I may use that phrase, understood and appreciated the problems of Belgium, Denmark, Greece, and other smaller countries?

SNOY: Well, of course, you know everybody has more care for his own personal problems and sees less of the problems of others. But, in fact, I think that we got along very well with our British and French friends, and they were certainly able to understand our position.

BROOKS: I think you'd be in a unique position to observe that, having been there working with that committee. Well, in view of that, I'm interested in this comment you made about lobbying. What was the lobbying about, primarily?

SNOY: Well, the lobbying was before we knew that

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we had to make the division of aid ourselves. The lobbying was to get the highest portion of aid, through diplomatic maneuver in Washington with ECA and with the American government and Congress.

BROOKS: I see. It wasn't clearly understood in '47 that everything had to come through Paris?

SNOY: No, that was not clear and people thought at that time that they had to push their case before the American authorities first.

BROOKS: I see. You were in Washington in '48?

SNOY: No. I was in Washington in January '49, with the program for '49.

BROOKS: But, you were represented there by Baron Silvercruys.

SNOY: Yes, he was the Belgium Ambassador.

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BROOKS: Now the committee in Paris, in the summer of '47, drew up a program calling for something like four years of reconstruction with \$19 billion in aid, and in most countries this was completed before the time allotted and with less money.

SNOY: Absolutely.

BROOKS: Do you have any comment as to why that was possible?

SNOY: I think this was possible because there was no waste. Because there was a maximum of cooperation, and a very genuine and sincere cooperation. One of the interesting facts was that we began at that time to start a system of multilateral payments. If we had only remained with our system of bilateral exchange of payments, we should have wasted a

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great part of the help of the Marshall Plan. In fact, the European Payments Union was not entirely set up before the beginning of 1950, but we had a few multilateral clearing arrangements between several members of the OEEC already in '48 and '49.

BROOKS: At that time, there were some people who felt that the preliminary planning, if not the actual administration of the project, should be done by the UN through the ECE. Would you have thought that was practical?

SNOY: I don't think it would have been practical, because the problems were quite special in Europe. We had to rebuild, by first priority, our European pattern of trade. If we had had something more cumbersome than this Western European organization, I think it wouldn't have worked. It was already very difficult,

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as we did it.

BROOKS: I know there were some people, for example, I think the Norwegians, who were particularly interested in trying to keep this within the framework of the United Nations.

SNOY: Well, you see, you may have had arguments there. We considered for practical and empirical reasons that it would work better as we did it. And, of course, as soon as we knew the position taken by the Russians, it was quite clear that UN could no more be the forum for that.

BROOKS: Were there differences of opinion among groups within Belgium, such as labor, agriculture, industry, and so forth, as to either the need for American aid, or the way it was administered?

SNOY: No, practically, there was no discussion at that time. All the important Belgian political

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parties and sectional groups were in agreement about the things as they were done. Sometimes, of course, we had got criticism because we had not enough direct aid. That was some of the criticism because we had not enough direct aid. That was some of the criticism that was addressed to the government at that time, but this was due to the general prosperous position of Belgium in relation to that of most European countries. It was quite normal and natural and after certain period of time, everybody recognized that.

BROOKS: In a good many countries there was some difference of opinion as to whether economic recovery, especially the rebuilding of industry, should be done by a stimulus to private industry or through state controls. My question is, did the Marshall Plan accentuate this problem?

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SNOY: You see, the question was purely academic in Belgium, because there were practically no counterpart funds available. In fact, the countries where you had big state intervention to rebuild industries were the states where the counterpart funds of Marshall aid were important and available for such purposes, in the hands of the government. As Belgium had practically no direct aid, there were no counterpart funds. The counterpart funds, being exclusively used to provide Belgian francs for the partners of Belgium.

BROOKS: At the same time, on a wider scale, there were people who felt that the conscious direction and aim of the Marshall Plan organization should be toward even closer economic cooperation, economic union, the common market, or political union. Was this the desire in Belgium?

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SNOY: Yes, certainly. In fact, we have always hoped in Belgium that there should be really a common European market.

BROOKS: How early would you say that developed, Baron Snoy?

SNOY: This idea developed very early, already in the beginning of '47 and '48. Because we knew that it was impossible to expand our trade and our production with all the existing obstacles to trade. We had three kinds of obstacles to trade, very familiar at that date: the payments obstacles, which we got rid of through EPU; import and export quotas, and we got rid of those through the action of the code of liberation inside of OEEC; and then we had excessive tariff duties. We tried in Belgium to get rid of these with our partners of the low tariff countries. The low tariff countries being the Benelux countries,

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and the Scandinavians and the Swiss. We tried some form of formula in OEEC but we didn't succeed. Then we started with the Common Market. And, our idea has always been that we cannot realize the economic potentialities of Europe as long as we cannot get rid of all the internal trade obstacles, which are nonsense in the twentieth century.

BROOKS: But, within the twentieth century, there was comparatively little of this sort of movement before World War II, right?

SNOY: That was true, and the case before World War II was a very bad one. In fact, the rate of growth in a country like Belgium was less than one percent during the period 1920 to 1940. And, the reason for that was that we were obliged to live on a very small internal market.

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BROOKS: Do you have any particular memories or comments or incidents that you would cite involving some of the principal persons involved, Baron Snoy. Of course, I'm particularly interested in President Truman, General Marshall, Governor Harriman, Will Clayton, Paul Hoffman; but, also Marjolin, Bevin, Bidault, and so forth. These names must recall lots of things to you.

SNOY: Yes, they recall lots of things. We had very interesting discussions. We had very dynamic sessions. We tried, always, to find solutions. We had sometimes, to work during whole nights to arrive in due time to a certain compromise and to go ahead, but we were always aware of the importance of the achievements to be reached and that's the way we got the matters through. And, in fact, I think there is no

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undertaking in the Western world since the war, which has been so successful as the Marshall Plan.

BROOKS: Did you ever encounter President Truman personally when you were in Washington?

SNOY: Yes, I saw President Truman in January '49, at the time of the inauguration. We met the members of the Senate and the House leaders to explain what the position of OEEC was, and how we had to work, and how we had managed to put forth these figures. This was a very interesting period -- in January, February '49.

BROOKS: You were in Washington in '49, at the time of the inauguration?

SNOY: Yes, we were at that time as a mission with Sir Edmund Hall-Patch, Robert Marjolin, and some others.

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BROOKS: You perhaps saw Governor Harriman over here?

SNOY: I saw a great deal of him during days and days, and nights and nights, we worked together in very close contact.

BROOKS: Let me ask this about President Truman. I'm not just "fishing for compliments" for him because I'm with the Truman Library, but I am interested in the development of European attitude toward President Truman, himself. Was he always pretty highly regarded here?

SNOY: I must say he was. He was a very able statesman. Of course, the Marshall Plan has always been the plan of General Marshall, that's true, but in the minds of Europeans, the merit of carrying it through is a merit of the President.

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BROOKS: But at the beginning when he became President, I assume that people in Europe didn't know much about him?

SNOY: No, very little. In fact, the high personality of Franklin Roosevelt was so much and so widely known that nobody knew very much about his Vice President.

BROOKS: What would you say most called attention of Europeans to President Truman's character, the Marshall Plan, or the election of '48, or what?

SNOY: I think if you speak about the character of President Truman, what has been in the minds of the Europeans, essentially, was the problem of Korea because there President Truman has been a very energetic leader, who knew extremely well where he wanted to go and where he wanted to stop.

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BROOKS: You knew Ernest Bevin well?

SNOY: Yes, I have great admiration for Ernest Bevin.

BROOKS: There's been some conjecture, Baron Sney, as to how he happened to move so fast on the Marshall speech. Some people have wondered whether he had expected something like this or whether he just suddenly realized that this was what he'd been waiting for.

SNEY: You know the position of Great Britain at that time was extremely difficult because the balance of payments of the United Kingdom had been in very heavy difficulties, and it was extremely clear that the equilibrium of the British economy was far from reached and that there were tremendous problems ahead. It is clear also that the former deal with the

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American Treasury and the Monetary Fund where the British had got a loan of \$1 billion, if my recollection is right, had given out. They were running short of everything. So, I'm sure that this was one of the experiences which convinced everybody of the precariousness of the European economy. And, the British had to know that some new plan was considered, and I think that they were extremely well aware of the necessity to seize the opportunity. I suppose that Sir Stafford Cripps knew also, and had a very quick reaction which was forced onto Bevin.

BROOKS: Did you know Will Clayton?

SNEY: Yes, I had the great pleasure of meeting him when he was here and in Germany.

BROOKS: He was here in the spring of '47. He was in Europe, then he came back in the summer.

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SNEY: He went to all the big capitals in Europe, and I saw him here in Brussels, if my recollection is right.

BROOKS: Have I left anything out that would be important, that you think ought to be a part of the record?

SNEY: No. I think I may perhaps underline about the importance of the Benelux experience, because having a great number of experiences of economic cooperation inside Benelux, we were always able to put them at the disposal of our friends whenever we had some new solution to find. And, this has been of very great importance, because we were always able to put forward solutions of instruments which we had already used to a certain extent inside our smaller undertaking.

BROOKS: Well, sir, this is very important. I thank you very much indeed.

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