

EUROPEAN RECOVERY PROGRAM

Interview With

ROBERT MARJOLIN

Paris, France
May 30, 1964

By Philip C. Brooks, Director

Harry S. Truman Library
Independence, Missouri
June 1966

EUROPEAN RECOVERY PROGRAM INTERVIEW TRANSCRIPTS

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DR. PHILIP C. BROOKS: Perhaps I should begin, Mr. Marjolin, by saying that I understand that before the Marshall Plan speech in June 1947, which was really the key point of the events we're working on, you were with the Monnet production plan here in France, were you not?

MR. ROBERT MARJOLIN: That's right.

BROOKS: You were Deputy Commissioner General?

MARJOLIN: The Monnet Plan for Modernization and Equipment.

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BROOKS: At that time you must have been interested not only in the development of production within France, but in the international economic problems as well. Did you expect something like the Marshall proposal, or did it come as a surprise generally to you and to the French people?

MARJOLIN: Well, I would say it was in the air. Obviously, in '47, Europe was on the verge of a big crisis. When one is in the midst of a big crisis you hope for something like the Marshall Plan to prevent a major disaster in Europe. You probably got the report of the Paris Conference of 1947. You have got it?

BROOKS: Yes.

MARJOLIN: It was international and was written by -- I don't remember who held the pen, but it was a cooperative thing, and the situation in '47

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is explained there very clearly.

BROOKS: The situation, yes, but we are interested in how the actual proposal of Marshall developed. There's a good deal of controversy in the United States, as a matter of fact, about who wrote it.

MARJOLIN: Yes, and I hope you're not going to ask me that.

BROOKS: No, I'm not...unless you have some ideas. But there's also some uncertainty about how much people in Europe knew exactly about what General Marshall was going to propose before the speech was made.

MARJOLIN: I did not know. I don't know whether other people knew.

BROOKS: Mr. Bevin moved so fast, and M. Bidault,

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that I rather wondered how complete a surprise it was. Do you have any theories as to why they acted so very rapidly except for the seriousness of the situation?

MARJOLIN: Well, I think the seriousness of the situation explains why they reacted so hurriedly.

BROOKS: It was practically a matter of hours after Marshall made his speech before they started to move.

MARJOLIN: Exactly.

BROOKS: Would you say there was a close relationship between the Monnet plan as it had been developing in France and the Marshall Plan?

MARJOLIN: I did not think about the influence of the Monnet Plan on General Marshall but the opposite is not true. Once the Marshall Plan

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was set up or even considered, certainly, it had an impact on the French plan. A substantial part of the power of the influence of the Monnet plan was due to the existence of the counterpart in French francs, which could be used to develop priorities, to reconstruct a certain number of French industries.

BROOKS: I'm interested primarily in the extent to which the Marshall Plan represented an entirely new phase and degree of international cooperation in Europe. Many people have said to me, "This was a turning point in the history of Europe."

MARJOLIN: It was. There were some efforts previously; frankly, I've only a very vague remembrance, but I think that the Europeans themselves set up something in '45, but it was nothing very much. This idea of close cooperation among the European countries, the idea of drawing up a European

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plan of reconstruction, all that was started by General Marshall.

BROOKS: Did you think the Benelux Customs Union was an important precedent?

MARJOLIN: I would not think so.

BROOKS: The Belgians feel that it gave them some useful experience at least.

MARJOLIN: There is no question that OEEC experience was vital for the development of a European Customs Union. I mean, had it not been for the Marshall Plan and the OEEC work, which derived from the Marshall Plan, I don't think a basis would have existed for a European Customs Union.

BROOKS: Do you remember when you moved over from the Monnet Plan for Modernization and Equipment over to the OEEC?

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MARJOLIN: I was in the French delegation to the Paris Conference in July 1947. I took a direct part in this conference. Then we produced a report, which you know. Then later on the French and the British had the idea of setting up an organization. I was asked by the French Government to go around Europe, with a Britisher in order to find out what would be the reaction of the various European governments to the idea of setting up OEEC.

BROOKS: With a Britisher?

MARJOLIN: Yes. The Britisher was Eric Berthoud. You have heard of him. We went around and after that a committee was set up to draft the OEEC charter. I was the chairman of that committee. We set up various commissions and the chairman of the most important of these commissions was Dag Hammarskjold, who later became Secretary-

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General of the United Nations. And when finally the OEEC was set up I was appointed Secretary-General and I remained in that capacity for seven years, until 1955.

BROOKS: One other question, Mr. Marjolin, in relation to prior experience. One of the Englishmen told me that the Allies had been working together for a long time on the conduct of the war and the initial peace settlement, so there wasn't really so much new about this OEEC thing. Would you agree with that?

MARJOLIN: I think it was entirely new.

BROOKS: It was cooperation in a different way, was it not?

MARJOLIN: Well there were various forms of cooperation, in the years during the war, and at the end of the war. But this kind of close working together

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was really, I would say, something new at the time. It involved not only consultation, but the drawing up of a common plan for European recovery. Very soon, the United States Government told the Europeans, "Well, we have so much money available for '48 or '49, and now we would like to hear your proposals about how that money should be distributed." And really that was a very powerful instrument in bringing the European countries together, which had no precedent. Well, I know that because I was the Secretary-General. We had to try to reconcile the conflicting demands of the various countries and make a proposal for the distribution of money, which could not be done, of course, without the unanimous agreement of the member countries. That was done for '48 and for '49, for the fiscal year '48-'49, the fiscal year '49-'50.

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BROOKS: Well, these are the critical years, certainly, and in a sense, in a very real sense, the OEEC as I understand it, replaced the business of every country lobbying at Washington for its own needs, right?

MARJOLIN: Right.

BROOKS: I talked to Baron Snoy the other day in Belgium.

MARJOLIN: A very good and intelligent person.

BROOKS: And one of the first things he said was that he well remembered when Governor Harriman said to him, sometime, I guess in the year '47-'48, "You people have got to cut out this undignified lobbying you're doing here in Washington and get together on your statement of needs."

MARJOLIN: I think it was very natural for everybody to try to bring some pressure to bear in Washington,

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but once the American administration was confronted with the proposal, unanimously agreed upon by sixteen governments, that was really the basis for all decisions.

BROOKS: Did you consider the Marshall Plan primarily a matter of economic recovery in Europe, or was it to a substantial extent a matter of economic warfare against the Communists?

MARJOLIN: Well, we thought that it was primarily an instrument of economic recovery, but of course we had in the back of our minds the realization that if the Europeans did not recover then it would be ground for Communist propaganda. But I would say that I would put the accent on the positive side rather than on the purely defensive and negative side.

BROOKS: It certainly was so intended. The reason

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I ask this is partly because the Greek-Turkish aid program known as the Truman Doctrine was developing at the same time as the Marshall Plan. Do you regard those as two quite separate programs?

MARJOLIN: Well, I would not say they were quite separate. Obviously both programs arose in the United States from the same concern about the possibility of maintaining an independent Europe. Of course, the methods and even the content of the two things were different.

BROOKS: I'm interested in how they were thought of over here, because people in Northern Europe have generally said they didn't have so much concern for the Greek-Turkish aid program although they were conscious of its existence, but people in Greece and Italy say very emphatically that the two are part and parcel

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of the same thing and that the Greek-Turkish matter was really the progenitor of the Marshall Plan...

MARJOLIN: Well, I think I would stand half-way in between each extreme position. Obviously, from the Washington point of view, there was a continuity. It was realized that something had to be done, not only for Greece and Turkey but, for the whole of Europe. If I remember rightly, the emphasis in the Greek-Turkish program was primarily the military.

BROOKS: It had to be, with Greece especially.

MARJOLIN: Well, the emphasis in Western Europe was entirely economic.

BROOKS: But this became significant in the United States because in Congress there was much more willingness to support one kind of program than

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the other. Some of the Congressmen were getting tired of the defensive military aid.

This again is a question of interpretation, M. Marjolin -- did you feel that the Marshall Plan called for the economic union of Europe and for steps leading up to the Common Market. Some people have talked to me as if they felt that this elimination of trade barriers, and so forth, was actually demanded by the Marshall Plan, and I don't quite read that into it.

MARJOLIN: Well, I think there you must make a distinction. Most governments, and some of the individuals, who worked actively in the Marshall Plan, had primarily in mind their own salvation, and the solution of the difficulties with which they were faced, and I don't think they gave much thought to what would come after. But some individuals, especially in '47 and '48, and the beginning of '49, thought that the Marshall

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Plan could be the embryo of an economic union. And as a matter of fact, Paul Hoffman made his speech in the Council of the OEEC, I think sometime in '48 or '49 -- '49 probably, I'm not sure -- in which he developed a plan for a customs union and told the Europeans, "You must unite." You have got that speech probably.

BROOKS: There's a book to the same effect.

MARJOLIN: And I remember very well that in those years, '48, '47, and '49, we used to meet quite often, some of us, to discuss. And we used the word "third force" at the time -- third force. By that we did not mean that it should be a neutral force, not at all, but whether we should not utilize the opportunity provided by the crisis in Europe and the American aid to bring about economic trade unity in Europe. And we used to meet maybe once a month or something

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of that sort and discuss the problems at great lengths. These meetings took place in a restaurant on the Boulevard St. Germain, called Calvet -- it still exists. On the American side, Dick Bissell was very active. I was there, and so was Sir Edmund Hall-Patch. You've heard of Hall-Patch?

BROOKS: Yes, and I hope to talk to him; I've corresponded with him.

MARJOLIN: And Sir Eric Roll who is now in Washington as financial minister in the British Embassy at Washington.

BROOKS: I've been in touch with him.

MARJOLIN: And there are some others; I forget their names now. We discussed at great length how we could expand our objective and instead of the Marshall Plan being simply a matter of rescuing

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Europe, how it could be made into an instrument for the unification of Europe. And, of course, the OEEC worked in that direction for quite some time. For instance, the abolition of import quotas in the trade among European countries was a first important step in the Customs Union. In the monetary field, there was the European Payments Union.

BROOKS: This was pretty essential, was it not?

MARJOLIN: Yes, those two things were agreed in principle, I think, practically at the end of '48 and '49.

BROOKS: The Payments Union went into effect in '50, but it was developed in '49.

MARJOLIN: Yes, there were various steps -- at first it was not a full payments union, and then it became so.

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BROOKS: I think some people I talked to are rather reading back their present thought when they say the Marshall Plan called for this development toward economic union. It did call for organization as common agreement on their needs, that's true.

MARJOLIN: Your own people, Paul Hoffman especially, Harriman and Dick Bissell were always extremely keen in favor of the Marshall Plan developing into a European Customs and Economic Union.

BROOKS: I think Will Clayton was of this mind.

MARJOLIN: Yes, Will Clayton, and many others.

BROOKS: Let me take a little different tack with you, M. Marjolin. Was it a good idea to invite the Russians to join?

MARJOLIN: Well, that was really before my time.

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I remember attending one or several meetings with the Russians in early '47. Molotov, I think, was the Russian there, but he declined to take part. I did not think it was a good idea, but I would say it turned out very well. Had the Russians accepted, it would have created a great confusion. There would never have been anything like the OEEC. On the other hand, if the Russians had not been invited there would have been a lot of arguments with many people, but the Russians being invited and refusing clarified everything.

BROOKS: I don't want to put you to the trouble of becoming involved in a detailed discussion of German economic problems, but in general was the feeling here favorable toward letting the Germans into this program and letting the German economy be reconstructed? Sometimes, I felt that there's a conflict between the need

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of assisting Germany to recover economically and the antagonism resulting from the war.

MARJOLIN: Well, of course, at the beginning, Germany was represented by the occupying authorities, in the French Zone and Bizone. I don't remember any serious objections to Germany being made an integral part of the organization. I think the allies knew that if Germany didn't recover, then the whole of Europe would be seriously endangered.

BROOKS: Was there any support here for the suggestion that Germany might be made an agricultural power from there on?

MARJOLIN: That was earlier.

BROOKS: Well, yes, '43.

MARJOLIN: Yes. I think probably there was a great deal of sympathy for this idea at the end of

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the war. There was a great deal of hostility and even hatred against the Germans. Well, I'm talking as a Frenchman because at the time I was working in a French capacity. I don't think frankly anybody, who had a sense of history and reality, ever considered that it would be so, that Germany could be an agricultural country. Well, I think it was a legitimate reaction against the German actions, but I don't think it was considered realistic.

BROOKS: Of course, the Germans now are very proud of the fact that the OEEC was the first international organization they were actually permitted to join. They are very enthusiastic about it. One of them told me that Marjolin and Baron Snoy were the builders of Europe.

MARJOLIN: Well, I did my best, frankly, to get the Germans in, and Snoy did the same. I think we

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acted as early as '48 because we felt -- and I think history proved we were right -- that Europe cannot exist without Germany.

BROOKS: Apparently it was effective.

MARJOLIN: I helped the Germans as much as I could during that period, not only to come in, but to feel themselves on an equal status.

BROOKS: I'm especially interested in the French point of view, because frankly, I've had a little difficulty getting enough people to interview to express the French point of view. What do you think were the greatest concessions that France had to make in cooperating in the OEEC?

MARJOLIN: I don't think at the time anybody made any concessions. The only people, frankly, who apparently had to make concessions, were

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the Americans. They were the people who provided the money. Later on, of course, the French as well as others had to overcome some of their most protectionist instincts. For instance, when we gradually abolished import restrictions, quantitative restrictions, and later on when we set up the payments system, but I don't call that concessions. I say only that administrations are always conservative -- they don't like changes, they like to keep things in their own hands and in that way of course, any move toward multilateral systems involves sacrificing not interest, but prejudices, and the French had to sacrifice some of their prejudices. But everything was, I would say, for the benefit of all.

BROOKS: Were there differences within France on attitude toward the Marshall Plan aid, among groups like labor, industry, agriculture?

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MARJOLIN: No, I don't think so, except the Communists, of course, and the labor unions under Communist leadership.

BROOKS: In many countries there was some problem of state control versus private industry and I'm wondering if you think that in France the fact that the Marshall Plan aid necessarily came through governmental sources, created a problem, or accentuated any argument?

MARJOLIN: No, I would say not.

BROOKS: What would you say was the French idea of American motivation? Do you think they thought of the American Government as primarily idealistic or primarily self-interested, or what?

MARJOLIN: I would say primarily idealistic, if you like to put it that way. Or, as motivated

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by self-interest, but of such a character that it was not self interest. It was simply intelligent appraisal of what the American interest was. And American interest, certainly was that Western Europe should be rebuilt and survive as a partner of the free world. It's always very difficult to determine motivations, but obviously the Americans felt that they had some interest in the business, or they would not have done it. But their interest was not American trade, American exports or things of that sort. It was the feeling that Europe had to be saved in the interest of Europe but also in the interest of the United States.

BROOKS: In your book you list certain weaknesses of the OEEC, although you emphasize much more the successes, of course. I'm wondering about the facts that OEEC, as you say, failed to deal adequately with certain specific problems,

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and in some countries there continued to be problems of balance of payments despite the OEEC, and the considerable results achieved are still fragile. Did these have any connection with the fact that you eventually left the OEEC and went into the Common Market? [Marjolin, Robert. *Europe and the United States*. (Durham, North Carolina, 1953) p. 17.]

MARJOLIN: No, those are reflections of '53 or something of that sort.

BROOKS: They were written in '51, I think. This was some time ago.

MARJOLIN: No, it had nothing to do with it. I'd been in the OEEC for seven years. I felt that frankly the job was done. For two or three years or more before leaving OEEC I tried to do my best to expand the OEEC into a customs union, and that means I tried to get OEEC to tackle customs duties. We had been interested, you see, in doing away with the quantitative

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restrictions, but we had done nothing about customs duties and I felt that this was a natural development. I pushed the thing as fast as I could and there I met a strong British opposition; the British were the ones who felt that OEEC had nothing to do in the matter of duties, that it was something which was dealt with adequately in Geneva, in GATT. I went several times to London to try to convince the British Government to agree about something being done in the field of customs duties. I mean, something in the direction of a customs union. And I met absolute opposition, so I felt in '54 when I made my decision that everything that OEEC could do had been achieved, and that therefore, I could feel free to try something else.

BROOKS: I'd like to take a different attack for the few minutes we have left, to ask you if you

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have any special memories or evaluations of some of the people involved. You said you had not met Mr. Truman, but at what time do you think they most became conscious of Mr. Truman -- in connection with the Marshall Plan, or the 1948 election, or the Korean episode?

MARJOLIN: I would say that Truman proved himself a great statesman, practically from the time he started being President. His reputation was greatly enhanced by the Marshall Plan, which was the first thing which made an impact on European opinion. But, of course, the single major decision which made him famous was his decision to intervene in Korea.

BROOKS: He says that was his most difficult decision.

MARJOLIN: There is no question. In a way, the Marshall Plan was something difficult to put across in the United States, but I mean it was not as

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emotionally loaded as the decision to intervene in Korea. That was a dramatic thing. There is a tendency in Europe, and I would say I share personally that view, to consider that Truman was as great as Roosevelt.

BROOKS: You were in Washington during the latter part of the Roosevelt administration, were you not?

MARJOLIN: Yes, I was there in the early part, too. I was a student at Yale in '32-'33, and I was there, of course, during the war, with Jean Monnet. I was sent there by the French Government, by de Gaulle, in '43. And I spent the time from the end of '43 and the whole of '44 in the United States.

BROOKS: Did you see anything of Roosevelt?

MARJOLIN: No.

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BROOKS: How about General Marshall, did you come into contact with him?

MARJOLIN: I met him, but I was very young at the time. I was working with Monnet and Monnet saw the important people.

BROOKS: I'm wondering how much this whole program was identified with General Marshall. How much did the people feel that it was primarily his own program?

MARJOLIN: Well, there was the feeling, of course, that he made a big contribution. Dean Acheson also was considered as the originator of the thing. Before we part, when I left OEEC, I wrote an article which you may not have gotten, which is called "Ten Years of American Aid to Europe." It was published in a magazine, edited by Unilever. I have only one copy. I will have a photograph made of it, and send it

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to the Library. It represents my feelings as they were in 1955 when I left.

BROOKS: Are there any points that I haven't covered that you think are important?

MARJOLIN: No, I think you have covered practically everything. You know, the subject is so big.

BROOKS: This is one reason I've devoted myself just to the initiation of the Marshall Plan in order to keep within bounds. Do you remember any particular incidents or characterizations connected with Clayton, or Hoffman, or Bruce? Do you know Professor Blaisdell of California?

MARJOLIN: Yes.

BROOKS: He's one of the people that particularly emphasized that I should see you.

MARJOLIN: Well, he's a good friend, and he was a

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man who played an important role in all the business.

Well, about Hoffman, I mentioned the speech he gave at the OEEC Council; it was a very prophetic speech. One of the men who was the most effective during that whole period was Dick Bissell. I think you must see him. He deserves really great praise. Well, of course, I cooperated really closely with all the ECA representatives in Europe.

BROOKS: Did you know Governor Harriman well?

MARJOLIN: Harriman, I knew very well. And Foster, who came after that. There was also Milton Katz.

BROOKS: Milton Katz is now at Harvard.

MARJOLIN: And also Draper, who went into private business. He's in Mexico right now.

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BROOKS: I've been concentrating on this project, so far, on the Europeans.

MARJOLIN: Well, as I told you, my recollections are very vague.

BROOKS: It was very interesting.

MARJOLIN: But on the main points, on the main questions you asked me, I'm very positive, namely that America was not considered as prompted by a narrow, selfish view of American interests. I am also very positive that from the beginning, the admission of Germany was accepted as something which had to be done. I am also perfectly clear that on the American side, as well as on the European side, individuals and important individuals like Paul Hoffman and others, felt that the Marshall Plan should not be purely a problem of economic aid, but should really be the starting point of European unification.

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It paved the way for the European institution that developed later.

BROOKS: One other man I wanted to ask you about was A. D. Marris.

MARJOLIN: Yes, he was there at the beginning. I don't think he was there very long, but he was in the Paris Conference. He was an excellent man.

BROOKS: He was with Oliver Franks.

MARJOLIN: Yes. Oliver Franks you may want to see, too.

BROOKS: He and Robert Marjolin are the two people I wanted to see most. You worked closely with him, did you not?

MARJOLIN: Yes and I think very highly of him.

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BROOKS: Well, sir, I thank you very much indeed for your time and your comments.

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